

EUROPEAN NEWS

France joins call for lower troop levels in Europe

By David Marsh in Bonn

FRANCE'S Defence Minister, Mr Jean-Pierre Chevènement, yesterday added his voice to strong West German calls for negotiated conventional force reductions in Europe. East and West armies should be given a "defensive character" only, ruling out any capacity for "surprise attacks" by the Warsaw Pact, he said.

US calls temporary halt to talks on Greek bases

By Andriana Ierodiakonou in Athens

NEGOTIATIONS ON the future of the four United States military bases in Greece were suspended temporarily yesterday after Greek negotiators officially requested the closure of the Hellenikon airbase, on the outskirts of Athens.

Greece and Turkey try to build on Davos accord

By Andriana Ierodiakonou in Athens

GREEK-TURKISH talks on economic and political co-operation began simultaneously yesterday in Athens and Ankara, in an effort to flesh out the rapprochement launched by the prime ministers of the two countries in Davos last January.

Affluent Swedes turn their attention to the environment

Sara Webb reports on the prospect that Sweden's Green Party may enter the Riksdag for the first time at this election

THERE are, says Mr Per Gahrton, green parties in eight parliaments in Western Europe, "but none is balancing the scales between power groups - they are all minorities without any parliamentary power. But everybody here believes we will have direct power by balancing the scales between two cemented blocs."



Occhetto: New ground

Occhetto points Italy's Communists towards centre

By John Wyles in Rome

THE NEW leader of Italy's Communists, Mr Achille Occhetto, plans to try to rebuild the party firmly in the crowded centre of Italian politics, asserting a reduced role for the state and opposition to any "closed class vision" of society.

largely directed at the industrial working class. Quite apart from its content, an interview Mr Occhetto gave at the weekend to the PCI's newspaper, L'Unità, broke with convention by establishing the leader's own position quite independently of the central committee.

view of the "general interest" which now lay in expanding liberty and democracy. Modern socialism was to be achieved through "strong reformism" aimed at strengthening individual rights and equality. The interventionist state, now needed to be "socially restrained" so that it was concerned with regulating "a plurality of public and private subjects. We need a state which guarantees more social rights and manages less."

When invited to identify the PCI's reformist objectives, Mr Occhetto had less to say than was new, referring to a recognition of "feminine differences" reduced working hours and environmental protection.

More surprising, however, was his emphasis on law and order. He claimed that there had been a collapse of public order in "vast regions of the country" and that Italy was "stained by the influence of criminal society."

US gases to help revive ailing town

By David Marsh in Bonn

AIR PRODUCTS, the US technical gases and chemicals group, has decided to move its West German headquarters to a battered steel town in the Ruhr in a move seen as boosting prospects for industrial conversion in the hard-hit region.

Brezhnev's son-in-law tried for corruption

By James Bilz

MR YURI CHURBANOV, the son-in-law of the late Soviet leader Leonid Brezhnev, was on trial in Moscow yesterday on charges of corruption. He is accused of having received more than Roubles 650,000 (355,000) in bribes during the 1970s, and could face the death penalty if convicted.

Honecker smiles westward but glares east

By Leslie Collett in East Berlin

A DISTINCT note of optimism at talks yesterday between Mr Erich Honecker, East Germany's leader, and West Germany's visiting Economics Minister, Mr Martin Bangemann, contrasted sharply with the coolness at a meeting between Mr Honecker and a high-ranking Soviet official.

Blaze in Soviet N-plant

By James Bilz

A SOVIET nuclear plant using a Chernobyl-type reactor caught fire yesterday but no radiation leak or injuries were reported, according to the government newspaper Izvestia, Reuter reports from Moscow.

Serbia demands Kosovo crackdown

By James Bilz

The president of the Yugoslav republic of Serbia yesterday demanded that Serbian paramilitary units be used to crack down on Albanian separatists in the province of Kosovo.

Dutch court blocks Karin B move

By James Bilz

A judge in The Hague yesterday rejected an attempt by a Dutch company to win the right to process 2,100 tonnes of Italian toxic waste currently on board the West German freighter Karin B. Reuter reports.

Praise and concern for Portuguese economy

By Diana Smith in Lisbon

PORTUGAL'S Government has been warned in two confidential reports that it must come to grips with its budget, monetary and trade policies.

Colonel admits selling secrets

By James Bilz

A Belgian air force colonel has been charged with treason after confessing to selling defence secrets to an East bloc country, the country's Defence Minister, Mr Guy Coens, said yesterday.

Portugal also has another problem: the inflation rate hit 9 per cent in July, far above the official target of 6 per cent.

The Government blames "external factors".

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Swedish Elections

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MP who switched parties because of the Liberals' increasingly pro-nuclear stance, is the only Green Party member with previous experience of working in Parliament.

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WORLD TRADE NEWS

US electronics makers aim to reclaim TV market

By Louise Kehoe in San Francisco

AMERICAN electronics manufacturers are seeking government support and funds for a co-ordinated effort to reclaim a major share of the US television set market, currently dominated by Asian suppliers...

W Germany set to gain from end to Gulf war

By David Goodhart in Bonn

THESE is cautious optimism in West Germany business circles that they will be among the leading beneficiaries if the Iran-Iraq war ends...

Lome nations seek to widen base Canute James, in Jamaica, on moves to add value to raw materials

WHEN negotiations begin next month for a new Lome Convention, the 65 countries of the African, Caribbean and Pacific (ACP) group will propose measures to the European Community...

EIB is seen as a European bank which now and then throws small change in the direction of non-European countries.

ensuring finance for the industries to process the raw materials before shipment to Europe...

EIB is seen as a European bank which now and then throws small change in the direction of non-European countries.

Europe which will stand against any changes as fundamental as those which the ACP will propose...

ICI in move to attack US market for automotive paints

By Ian Hamilton Fazey

ICI PAINTS has carried out its first significant reorganisation since it bought Glidden, the US paintmaking giant, in 1986...

Bouri oilfield promises output of 50,000 b/d

By Francis Ghiles in Tunis

COLONEL Mounir Gadafi, the Libyan leader, yesterday inaugurated the Bouri offshore oilfield, the largest of its kind in the Mediterranean...

Managua's Dollar Shop keeps economy afloat

Tim Coome reports on a successful rival to the black market show a further decline to \$250m, according to government planning officials...

AMERICAN NEWS

Labor Day ushers in US polls' final furlong

By Lionel Barber in Washington

THE US presidential race entered the home stretch yesterday, with Vice-President George Bush and his Democrat opponent, Governor Michael Dukakis, each seeking a Labor Day lift to their campaigns...

with attacks which paint him as a liberal from Massachusetts who is soft on crime, defence and federal spending...

Managua's Dollar Shop keeps economy afloat

Tim Coome reports on a successful rival to the black market show a further decline to \$250m, according to government planning officials...

Tensions in Chile set to increase

By Mary Helen Spooner in Santiago

ABOUT 300 people were arrested and several injured after a mass rally in the capital, Santiago, organised by Chilean opposition groups...



The late President Allende's daughter Isabel, now back from exile, with Ricardo Lagos, president of the Party for Democracy...

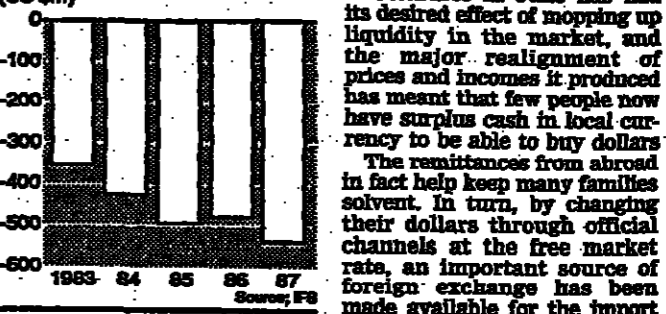
Panama output 'at only 50% of capacity'

By Tim Coome in Panama City

PANAMA'S economy is working at only 50 per cent of its capacity, according to Mr Mario Rognoni, the Trade and Industry Minister...

Nicaragua Trade deficit

(US \$m) show a further decline to \$250m, according to government planning officials...



financial aid flowing, but the substantial gap is financed through remittances from family members living abroad...

Nova Scotia election to test Tory backing

By David Owen in Toronto

NOVA SCOTIANS go to the polls today in a contest which will give Canadian Prime Minister Brian Mulroney's election strategists a measure of the strength of Conservative support in the east of the country...

UK NEWS

Rolls Royce seeks new R and D materials

By Lynnon McLain

ROLLS-ROYCE, the UK aero-engine company privatised last year, is changing its research and development strategy to focus spending on new materials and processes.

The aim is to achieve substantial improvements in engine performance, to produce ceramic engine parts and possibly a complete jet engine ahead of its international competitors.

This would be lighter and smaller, but more powerful for its weight than anything the company has so far produced, although it may not be ready for 10 to 15 years. It would enable radical changes to be made in the design of aircraft.

New materials are regarded by the company as providing the greatest opportunities for future engine technology, in place of traditional mechanical design improvements.

All the company's international competitors, including General Electric and Pratt & Whitney of the US, Snecma of France and the Japanese Aero Engine Corporation are also considering new materials.

The concentration on research into new materials is underway just as the British Ministry of Defence is seeking to get better value for its research expenditure in the private sector.

Mr Alister Duncan, the Rolls-Royce chief engineer for advanced military engine projects, said: "We happen to have run into a time when this fundamental research and development into new materials will be funded more and more by Rolls-Royce."

The decision to concentrate on new materials as the best way of improving engine performance in the future echoes the use of carbon fibre as a new material for fan blades on the original Rolls-Royce RB211 engine. This decision contributed to the collapse of the company in 1971.

Carbon fibre is still being studied. But the emphasis is much more on ceramics, materials which can withstand very high temperatures. These offer the prospect of doubling jet engine performance, while simplifying engine production.

To minimise the risk that the search for new materials could overstretch the company, Rolls-Royce has appointed an external Materials Advisory Board of specialists, under the chairmanship of Sir Alan Cottrell professor of metallurgy at the University of Cambridge.

THE FARNBOROUGH INTERNATIONAL AIR SHOW

Long McDonnell-Douglas jet may get BAe wings

By Michael Donne, Aerospace Correspondent

BRITISH Aerospace, which builds the wings for all Airbus airliners, may also find itself building the wings for a new stretched version of the US McDonnell Douglas MD-11 jet airliner.

This possibility emerged at the Farnborough International Air Show yesterday when McDonnell Douglas revealed its plans for the new aircraft.

The standard version of the MD-11 is already in production and is due to enter airline service in 1990.

The "super stretch" MD-11 now planned would be 35 feet

(a little over 10 metres) longer in the fuselage than the standard aircraft and would seat more than 360 passengers against 280. It would be able to fly up to 8,000 statute miles (12,860km) non-stop. It is planned to come into service in 1994, and is intended to challenge the dominance of Boeing of the US in the world's long-range airliner markets.

Announcing the new aircraft, Mr Jim Worsham, president of the Douglas Aircraft Division of McDonnell Douglas, said that it could use the new, more powerful version of the

Rolls-Royce RB-211-524 engine. But the choice of engines would be a matter for airline customers and not McDonnell Douglas.

Mr Worsham said that Douglas hoped to sell between 300 and 400 of the standard MD-11 by the end of this century, with up to another 400 of the super stretch version.

Orders and options for the standard aircraft currently stand at 146 from 21 customers, with break-even of the non-recurring development costs of \$550m being covered by sales of 110 aircraft.

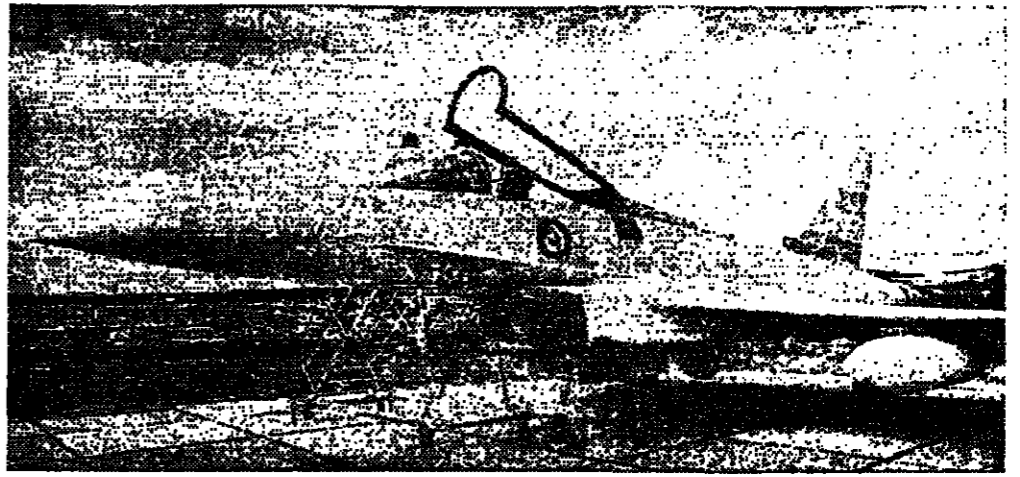
Eurofighter confident of Spanish commitment

By David White

THE EUROFIGHTER consortium is confident that Spain will stay in the \$22bn four-nation project despite French efforts to woo it into the rival Rafale fighter programme, Mr Gerrie Willox, Eurofighter managing director, said yesterday.

Both Construcciones Aeronauticas (CASA), the Spanish industrial partner, and the Madrid Government were providing full support for the European fighter aircraft, he said.

The Spanish authorities have yet to subscribe to the memorandum of understanding, which the UK, West Germany and Italy signed on May 16, committing the partners to



Eurofighter: the first prototype will fly in 1991

a \$5.5bn development. But Mr Willox denied that this delay was in any way holding back the project. No contingency plans had been made for a Spanish withdrawal, he said.

He indicated that development would account for only about a quarter of the total cost, bringing the overall figure to \$22bn, somewhat higher

than the initial \$20bn estimate. Mr Willox was confident that West Germany would eventually take its full complement of 250 aircraft, the same as Britain, thus fulfilling the forecast requirements of almost 800 aircraft between the four partners.

The first prototype is expected to fly with an interim engine in mid-1991, entering service in 1996.

Mr Ivor Yates, the chairman of the venture, said he saw good prospects for sales outside the four partners. Other Nato countries had already shown interest, he said.

Plessey hopes for \$100m order from US after ITT deal signed

By David White, Defence Correspondent

PLESSEY, the electronics group, is hoping for more than \$100m worth of US military orders for digital aircraft navigation receivers, under an agreement signed with ITT at the Farnborough Air Show yesterday.

The agreement gives Plessey the foothold it is seeking in the US market for its newly-developed receivers, designed to work in conjunction with the Navstar satellite network. This market is currently dominated by the US Rockwell International Group.

Plessey claims that its "global positioning system" receivers, which ITT will promote in the US, are able to pinpoint an aircraft's position to within 16 metres in any direction.

Once the satellite network is complete, this should be possible in any part of the world.

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Boeing plans to boost output to 34 airliners a month

By Michael Donne, Aerospace Correspondent

BOEING, the world's biggest manufacturer of jet airliners, is planning to increase the production rate of several of its aircraft models from an overall total of 27 to 34 aircraft a month during 1989 to meet a

backlog of orders now standing at over 1,000 aircraft. Boeing has won new orders for 489 aircraft so far this year, worth over \$21bn, exceeding the previous record set in 1978 of 461 jets in a year.

Mr Philip Condit, executive vice-president of Boeing Commercial Airplanes, said production of the type 737 short-range jet airliner would go up from 14 to 17 a month, that of the 757 medium-range jet from four

to seven a month, and of the 747 long-range Jumbo Jet from four to five a month. Boeing also said it had won an order worth \$125m from the Civil Aviation Administration of China for another three 737

CFM order book up by \$15bn

By Lynnon McLain

CFM INTERNATIONAL, the joint company of General Electric of the US and Snecma of France, has firm orders worth \$15bn for 5,900 of its jointly produced CFM56 engines, the company said yesterday.

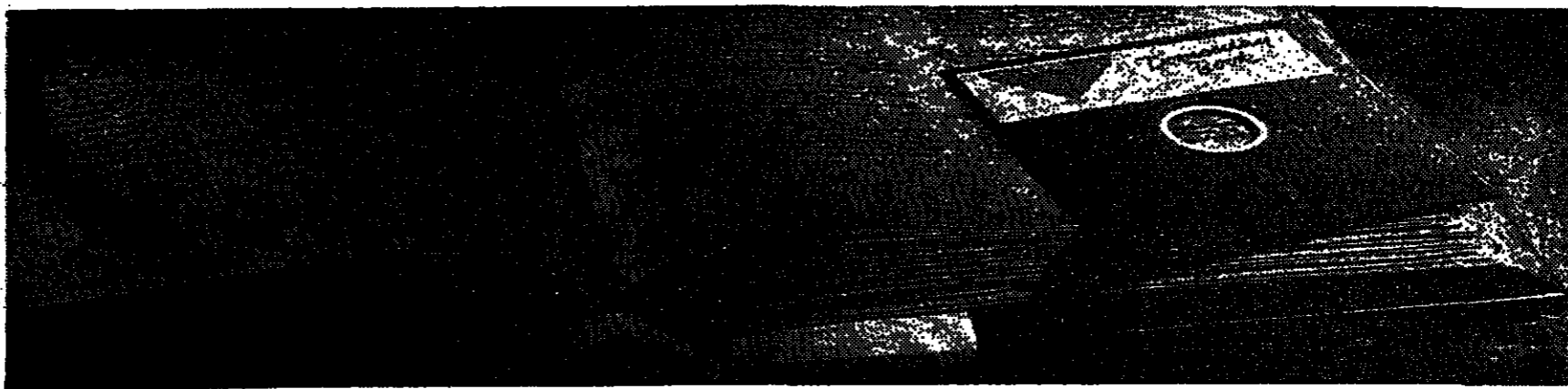
Mr Edward Bavaria, senior vice-president for marketing at CFM, said the order intake for the Franco-US company had set a record this year. More than 1,400 engines had been ordered by Airbus Industrie and Boeing, for the A320 and Boeing 737 respectively.

Textron Lycoming, the US manufacturer of small-to-medium sized aero-engines has launched a new series of commercial turbo fan engines in the \$8,000 to \$10,000 thrust category.

The engines are derived from the company's \$7,000 thrust ALF502R engine. This is the engine that powers the British Aerospace 146 regional airliner.

The new series of engines is being studied by Short Brothers of Belfast, Northern Ireland, for their proposed FX1 airliner.

If we only made cash registers, local government would still be working by the book.



The Domesday Book - the first public record and the first document produced in triplicate - only covered parts of Britain and was never completed. Information retrieval's come a long way since 1087; today, NCR offer a range of high quality, high technology hardware and software solutions - including specialist software packages - industry standards - ensures long term protection of our customers' investment. You could say we've taken computing out of the dark ages... Get in touch on 01-724 4050. NCR Creating value

Table with columns: High Low, Company, Price, Change, Gross Div (\$), Yield %, P/E. Lists various securities like 225 285 Am. Intl. Ind. Debenture, 40 25 Amstage and Morden, etc.

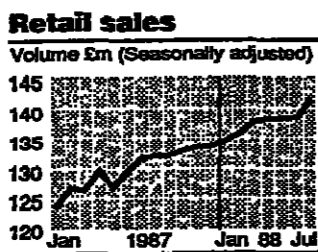
GILT EDGED GIFTS FROM THE FINANCIAL TIMES. Text describing a collection of gifts from the Financial Times, including a calendar, a book, and a pen.

UK NEWS

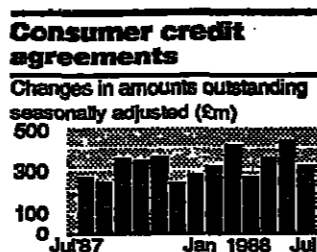
Retail sales leap by 2.4 per cent

By Ralph Atkins, Economics Staff

BRITISH RETAIL sales leapt by 2.4 per cent in July and consumers' appetites for credit continued to grow, according to official figures released yesterday. The figures confirmed the strength of UK economic growth but added to fears of rising inflation and increasing imports as a proportion of high street sales. Retail sales grew faster than the 2 per cent rise forecast in provisional figures. Department of Trade and Industry figures show the amount outstanding on consumer credit agreements increased by £310m in July to £25.4bn. That was less than increases of £440m in June and £370m in May. However, there are no clear signs of a slowdown in the underlying growth rate - in spite of the steep rise in base rates since the end of May. In the three months from May to July, the increase in the amount outstanding was £1.1bn compared with £1bn in the previous three months. The figures cover bank credit cards and agreements with finance houses, building societies, retailers and specialist credit grantors. New credit advanced to consumers, before taking repayments into account, totalled £3.4bn in July compared with £3.7bn in June. The total in the



three months to July was 5 per cent higher than in the previous three months. The DTI index for retail sales volume indicates that high street spending may have accelerated. In the three months from May to July, sales volumes were 1 1/2 per cent higher than the previous three months, after seasonal adjustment. Sales were 7 per cent higher compared with the same period a year before. Financial markets shrugged off the figures. The FTSE 100 share index ended 17.6 up at 1764.5 in thin trading with Wall Street closed for US Labor Day. Government securities weakened initially on fears of interest rate rises but later recovered. City analysts are now looking for evidence of a sales slowdown in August. The Confederation of British Industry/Financial Times distributive trades survey covering



reported sales in August and expectations for September is published on Thursday. Provisional DTI figures for August retail sales are released on Monday. July's upswing in retail sales was due largely to Budget tax cuts which began to feed into pay packets. The DTI said wet weather, such as that in July, tended to increase sales in summer months - possibly because people were discouraged from spending time on leisure activities. Sales and credit growth have been underpinned by earnings continuing to rise much faster than inflation. The buoyancy of house prices has also increased the wealth of the personal sector and boosted confidence. The retail sales figures show a big increase in sales of household goods including items such as washing machines and

television sets. In the three months to July, sales volumes were 4 per cent higher than the previous three months. The DTI said that within this category, sales of furniture, carpets and electrical goods were exceptionally strong. The seasonally-adjusted index of retail sales volumes stood at 140.1 in July (1980=100) compared with 136.8 in June. The value of sales in July was £2.6bn - 10.3 per cent higher than the same month a year before. Retail sales are likely to rise further in the autumn as earnings continue to grow. Higher mortgage rates in October could curtail spending but consumer credit is widely acknowledged as fairly insensitive to interest rate rises. The credit figures show the amount outstanding on bank credit cards increased by £10m in July compared with an increase of £140m in June. The amount outstanding on agreements with retailers also increased at a slower pace in July than in the previous month. There was a dip in the amount lent to consumers by finance houses and specialist credit grantors. The DTI said this could have been because of people delaying buying cars on credit until August when F-registrations started.

Postal services at a standstill as strike escalates

By Michael Smith and Alice Rawsthorn

POSTAL services in London, Scotland and the north west of England were at a virtual standstill last night as the dispute over the Post Office's tactics in clearing the mail backlog caused by last Wednesday's 24-hour stoppage escalated. Union leaders claimed that about half Britain's postal workers went on strike, while the Post Office said that 48,000 of its 140,000 full time staff were not working. The effects had been worsened because the strikes were concentrated in the main sorting centres, it said. Most of the locally-based strikes have been sparked by the Post Office's use of casual labour and private transport in its attempts to speed the recovery of the mail system following last Wednesday's 24-hour national strike. Informal negotiations between the Union of Communications Workers and the Post Office aimed at opening the possibility of formal talks were set to continue today. Mr Alan Tuffin, UCU general secretary, said they were proving tense and delicate. He said: "I do not see any cause for optimism." The Post Office suspended its international mail service because of industrial action at the main international sorting centres in London, Manchester and Glasgow. Normally about 5m letters are posted overseas in the UK each day. Letters and parcels coming into the UK from overseas countries have been piled up at the Royal Mail depot near Heathrow Airport, London. At Liverpool, violence broke out on a picket line, with bottles thrown as about 100 casual staff were escorted into work by police at the city's head post office. Only one in three of all domestic letters is still going through the system, according to the Post Office. However, the Post Office handles 40 of its 80 sorting centres and 280 of the 1,500 delivery offices were closed. No sorting offices in Inner London and only three in Manchester were working. Mr Cockburn said about 70m letters were awaiting delivery. He accused the unions of "inflaming the situation" with "false claims" that it was recruiting large numbers of temporary staff to clear the backlog of mail. He confirmed that the Post Office had hired 500 temporary employees in addition to the 2,500 temporary staff normally hired at this time of year. The worsening situation coincided yesterday with an increase in postal charges. First class letters became 1p dearer at 19p with second class letters going up to 14p. Mr Michael Casson, writing: "Government action to remove the Post Office's monopoly does not appear to be imminent but ministers are increasingly concerned at the impact of the spreading dispute and are making it clear that they will see if the situation continues to deteriorate."

Good neighbours learn to fight crime in the City

Alan Pike looks at the policing of central London

SERGEANT Dick Lettin of the City of London Police recites a despairing little tale which comes as no surprise to his audience. "We've been having problems at a newly refurbished office block," he tells the members of an unusual type of Neighbourhood Watch scheme. "There are 81 different tenants in there and the reception desk is in the middle. So no-one has to go to reception to get into the building." The City office block has recently been modernised, and has plenty of television monitors. But one person in the reception area is supposed to watch all the screens - an impossibility. So it has been visited by swarms of walk-in thieves. The police have responded by establishing an information stand in the reception area, sending notices and a crime prevention newsletter to all tenants and posting plain clothes officers to carry out random checks on suspicious-looking people wandering around inside. Neighbourhood Watch, an increasingly popular scheme whereby a small district's police and residents co-operate in crime prevention, usually provokes images of suburban householders peering from behind curtains on the look-out for anything suspicious in the quiet street outside. But in the City of London it takes a different form, with the police involving their version of householders - the business community - in efforts to reduce crime. Conventional Neighbourhood Watch schemes are a product of the 1960s, but the City of London Police's involvement with businesses goes back to the 1950s. Today three crime prevention associations cover the Square Mile, which maintains one of Britain's smallest police forces. The associations consist of police officers and security specialists from City companies who look for ways of overcoming the temptations of the area offers criminals, from handbag thefts in offices to computer fraud. Members at the association meeting attended by Sgt Lettin - one of the force's specialist crime prevention officers - note the efforts the police are making to overcome the serious problem of people being able to stroll unchallenged around big office blocks, and continue with their agenda. They receive approving reports on a visit to the police driving school by chauffeurs of City company chairman. Business leaders are potential targets for kidnap attempts and the drivers were being instructed in ways of protecting their employers. Forget old-fashioned courtesies, like getting out of the car to open the back door, is the advice. Have the engine running, and drive off as soon as the boss is aboard. Another item on the agenda concerns a video and booklet aimed at women workers, produced by the association in conjunction with Brook Street Bureau, the employment agency. One consequence of the financial markets revolution is that far more women work late in City offices. The association is trying to explain to them and their employers how they can be protected at work and while travelling. Some of the items on the crime prevention associations' agendas might suggest that the City of London is a European capital of crime. In many ways the reverse is the case. In terms of violent crime it is probably one of the safest big city centres in the world - there were 25 muggings in the Square Mile last year, but three people killed and 432 injured in road accidents. Mr William Taylor, the City Police's assistant commissioner, greatly values the support the business community gives through the crime prevention activities. "Community policing is as important in the City as anywhere else. Our community is unusual one but its support is as necessary for us as for any other police force." The crime prevention associations, which are active and well-attended, succeed in raising awareness about crime prevention and detection, an essential ingredient in police work, he says. Shops, pubs and schools in and around the City have all been involved in their crime prevention activities. The City Police are involved in some specialist areas such as fraud investigation and VIP protection to a greater degree than most forces. But in other ways the 800 officers, overseen by the police committee of the City Corporation, preserve the atmosphere of a local police force answerable to a local authority - something which has disappeared elsewhere in the country with the trend to larger forces. Both Mr Taylor and Deputy Winburn Horlock, chairman of the City Police committee, see advantages in this which would disappear if the City force were ever amalgamated with the much larger Metropolitan Police - a possibility which has been discussed in the past.

Tunnel may spark fresh inter-union strife

By Jimmy Burns, Labour Staff

THE Channel Tunnel could become the setting for a fresh round of inter-union warfare, following yesterday's explosion from the TUC of the EETPU electricians' union. Mr Paul Bevis, the EETPU's national official for the construction sector, said his union intended to recruit actively in all sectors involved in the project. He was also willing to consider a single-union no-strike agreement that would exclude rival unions. Mr Bevis said: "We shall meet with the employers in an attempt to reach an agreement that suits our members as well as the employers... We could accommodate a single-union no-strike deal." The EETPU is privately confident that it could secure a deal, covering such areas as the running of the shuttle service across the Channel. It has

been encouraged by developments at the Docklands Light Railway, where employees voted to be represented by the EETPU rather than the traditional rail unions. However, other unions, which together with the EETPU are already involved in the construction phase of the Channel Tunnel project, warned yesterday that such an agreement would be strongly resisted. Mr George Henderson, the TGWU transport union's national secretary for the construction sector, predicted there could be "major problems" for the project's industrial relations if there was any "intrusion" by the EETPU into an area where there are recognised trade unions. Mr Henderson said: "We as a union have no problem with

reaching single-union deals, provided there is proper consultation with other unions that have an interest in the project... If there is no such consultation, there could be serious industrial trouble." Union officials emphasise the relatively harmonious industrial relations that have existed on the construction phase of the project. However, the officials suggest that the expulsion of the EETPU has put a question mark over the future of the ad hoc joint employer-union co-operation on the project that was initiated at a meeting in Brussels in May 1987. That meeting was attended by officials of all the trade unions involved, senior management of Eurotunnel, and Transmanche Link, the Anglo-French construction consortium, and representa-

tives of the French and British governments. Previous TUC objections to the project were brushed aside. The TGWU, along with UCATT, the construction workers' union, and the GMB general union, are currently signatories of a civil engineering working rule agreement with the Federation of Civil Engineering Contractors. This covers wages and conditions and exhaustive procedures for resolving disputes, which do not exclude the right to strike. A similar but separate agreement involves the EETPU and the Federation. The TGWU claims to be the majority union involved in the Channel Tunnel project, but this is disputed by the EETPU. Some union officials fear that rivalries may be fuelled as increasing pressure is put on the workforce.

EC finance directive under fire

By Clive Wolman

THE LONDON Stock Exchange's 1982 working committee, set up in April to examine the effect of European integration on the securities industry, publishes today a critique of the European Commission's proposals for investment services. The criticisms, aimed at the third draft directive, on investment services, will be passed to the Commission in Brussels next week by officials of the Trade and Industry Department and Securities and Investments Board, the chief investor protection agency. Meanwhile, the SIB said it had reached agreement with eight more overseas regulatory bodies to supervise financial institutions with branches in the UK. They are the Reserve Bank of Austria, Central Bank of Italy, Commission Bancaire of Belgium, Nederlandsche Bank, Canadian Superintendent of Financial Institutions, Swiss Banking Commission, Sydney Futures Exchange and the US Commodities Futures Trading Commission.

They are the Reserve Bank of Austria, Central Bank of Italy, Commission Bancaire of Belgium, Nederlandsche Bank, Canadian Superintendent of Financial Institutions, Swiss Banking Commission, Sydney Futures Exchange and the US Commodities Futures Trading Commission.

Ulster group creates 225 jobs... Tyrone Crystal plans a new £6m factory... £20m boost for Northern Ireland plant... Why you're 240% better off in Northern Ireland.

All wells now fully plugged at Piper Alpha... OCCIDENTAL Petroleum yesterday said all 36 wells at the burnt-off Piper Alpha platform had been sealed with secondary cement plugs.

SHANGRI-LA INTERNATIONAL... IN SINGAPORE... WHERE ELSE BUT THE SHANGRI-LA... One of the world's best hotels.

Why you're 240% better off in Northern Ireland. Add it up. Over 40% research and development grants. Up to 50% of factory costs. Up to 50% of machinery and equipment costs. Plus 100% de-rating. Now add - 2 million square feet of factory space available right now, 900 acres of fully-serviced sites, tailor made start up and training grants. Easy access to university resources, a skilled and dedicated workforce, 5 major commercial ports, an international airport and a unique flexible attitude towards your individual business needs.

THE INVESTMENT IS WORKING... Birmingham is the manufacturing centre of the UK, with more people engaged in manufacturing than Manchester and Sheffield combined. In the twelve months to March 1988, manufacturing industry in the West Midlands out-performed every other UK region.

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IT LEFT HEATHROW 90 MINUTES FROM NOW.

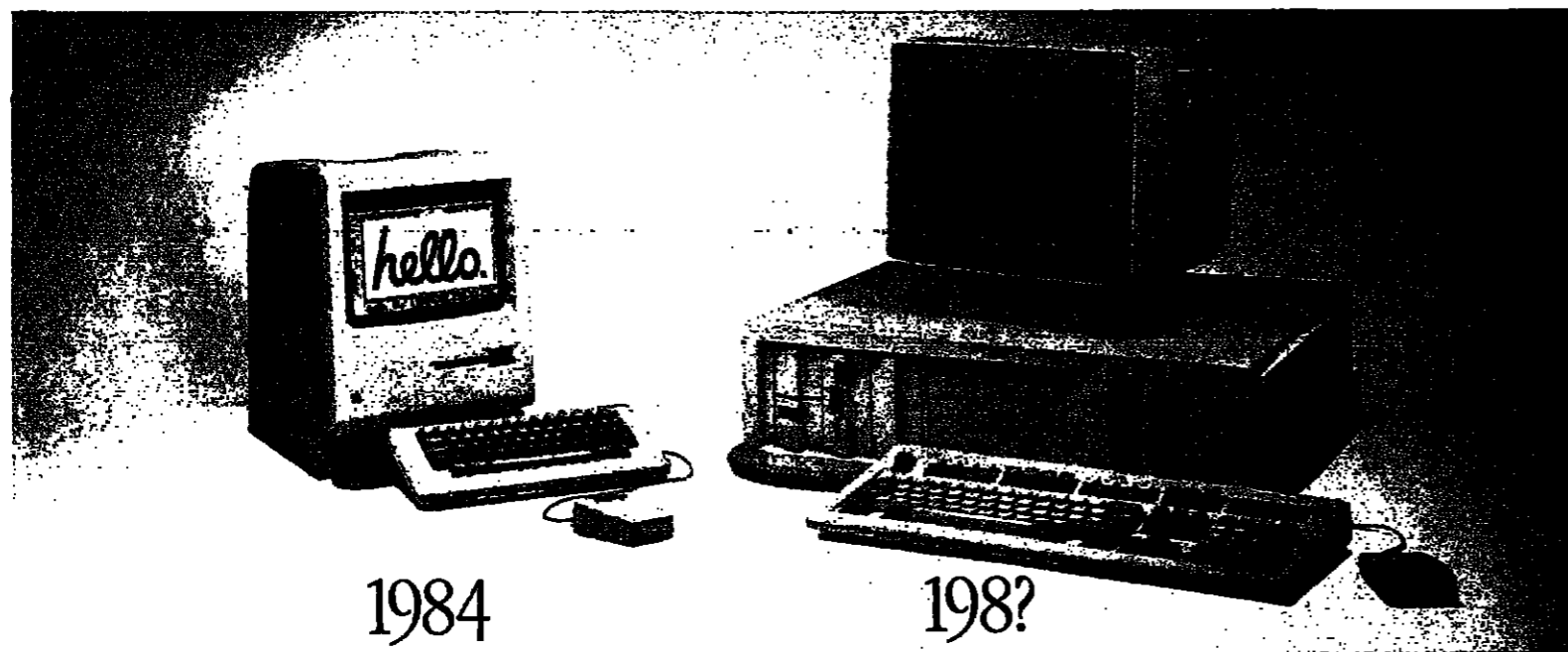
The passengers on this flight left Heathrow at 10.30am, yet will touch down in New York a little after nine o'clock. They could then be on Wall Street in under an hour, a full day's work ahead. They could only be on one aeroplane.

BRITISH AIRWAYS
The world's favourite airline.

What our competitors hope to do tomorrow, Apple did yesterday.

Apple Computer actually set the ball rolling in 1977 when we created the very first personal computer.

have recently adopted the same size. DeskTop Publishing was created by us in the following year to help businessmen produce



professionally printed documents in-house. Low-cost networking also saw the first light of day in 1985 when we introduced AppleTalk™. This gave Macintosh computers the ability to talk to each other as well as with peripherals. Nothing could be simpler, you just plugged one cable into another to open the dialogue.

In 1984 we created another first with our launch of the Macintosh™ personal computer. Our competitors then, and now, could only greet it with a blank stare. Macintosh, rather than using computer jargon, used easily understood words and symbols such as files, folders and menus which, with the help of a mouse, speeded and simplified operating.

In 1987 we launched HyperCard™, a revolutionary way of storing and accessing information. One that is creating an entire industry in multi-media information management.


The mouse, which we introduced in 1983, freed your mind from the drudgery of learning complex keyboard commands. You concentrated on what you were doing, rather than how you were going to do it.

As a result of the keenness consumers have shown for our innovations they have now become industry standards.

Another innovation in '84 was our pocket-sized 3½" disk. We're flattered to note the number of other manufacturers who

Consequently, we've grown to become the largest dedicated manufacturer of personal computers in the world. To discover more about Apple Computer dial 100 and ask for Freefone Apple.

Next year our competitors hope to catch up with our performance in 1984.

What will we be doing? Suffice to say old habits die hard.  Apple. The power to succeed.

UK NEWS

Top scientist argues case for more research funding

By David Fishlock, Science Editor

A POWERFUL plea for both government and industry to increase their spending on science was made by one of Britain's leading biochemists, opening the annual meeting of the British Association for the Advancement of Science in Oxford last night.

Sir Walter Bodmer, research director of the Imperial Cancer Research Fund laboratories in London, in his presidential address to the British Association, urged the Government to transfer funds from other areas of research such as defence, to reinforce basic science in Britain.

He attributed the fact that his own research institute, which relies for most of its funding on charitable donations, had maintained standards "competitive with any institution in the world" to its having "created interdisciplinary centres of excellence in cancer research."

N-plant site draws 9,000 applicants

By David Green

MORE THAN 9,000 people from all over Britain have now applied for work on the Sizewell B nuclear power station site in Suffolk, north-east of London, nearly four times the number of jobs which will be available during peak construction.

Nuclear industry looks for energy David Fishlock on a symposium to discuss supplies of uranium

THE URANIUM Institute, a London-based think-tank for the international nuclear energy industry, is this week holding its first symposium for a decade to focus on future supply of the mineral rather than demand for it.



Jan Murray of the Uranium Institute: "I thought it was time to ask some hard questions about what ought to be done"

Over-capacity in uranium and nuclear fuel production has been the dominant issue of the 1980s, because the industry has failed to keep up with 1970s forecasts for installed nuclear electricity capacity. But the institute estimates that by 1992-95 uranium demand will match the capacity of the mining and processing industry.

DFC FINANCE (OVERSEAS) LIMITED NOTICE OF A MEETING OF THE HOLDERS OF THE OUTSTANDING ASS50,000,000 13% Guaranteed Bonds Due 1990. Includes sections for EXTRAORDINARY RESOLUTION, BACKGROUND, and VOTING AND QUORUM.

DFC FINANCE (OVERSEAS) LIMITED NOTICE OF A MEETING OF THE HOLDERS OF THE OUTSTANDING U.S.\$100,000,000 11% Guaranteed Bonds Due 1995. Includes sections for EXTRAORDINARY RESOLUTION, BACKGROUND, and VOTING AND QUORUM.

BUSINESS OPPORTUNITIES

Letters of Credit

Company importing capital goods requires L.C. facilities in return for active participation/profit sharing.
Write to Box F8438, Financial Times, 10 Cannon Street, London EC4P 4BY

ESTABLISHED SOFTWARE PRODUCTS FOR SALE

A unique opportunity has arisen to acquire the complete rights to two established software packages, in the field of information management and communications. These packages, which have been developed by an expanding software company as part of its vertical market business focus, have wide application across the spectrum of personal computer usage.
Write Box F8428, Financial Times, 10 Cannon Street, London EC4P 4BY

INTERNATIONAL COMPANY SERVICES LTD

International and management companies in: UK, USA, Canada, France, Germany, Italy, Spain, Portugal, Greece, Ireland, Hong Kong etc. and provide full secretarial and business services. Brochure and details of fees from: Springfield Court, New Constitution Road, Boreham, Essex, SSO 9 9AA. Tel: (0224) 234000 Fax: 0224 259886 Telex: 228254 ICSGDM G
London representative: International Company Services (UK) Ltd., Standard House, 2-5 Old Broad Street, London WC1E 7JF. Tel: 01-493 4544 Fax: 01-491 0998 Telex: 228247 ICSGDM G

BUSINESS PARTNERS REQUIRED

To develop their own Independent Recruitment Business as part of a national organisation. We will provide the vacancies you find the people seeking jobs. Write to: ROYSTON PERS GPF, 28/297 LEA BRIDGE RD, LONDON E20 7EA

Small Venture Capital Company

Member of FIMBRA, providing syndicated equity/venture capital and advice for growing private companies, would be interested in developing a working relationship with a similar company possibly leading to a merger. Short term office accommodation available.
M.J. Coleman, Manager Growth Investments Limited, 6th Floor, White House, 82-84 City Road, London, EC1Y 2DA.

AL PARTNERSHIP - c.£1 million plus.

Founder, Chairman and Chief Executive of highly successful manufacturing and retailing operation seeks to purchase a 50% equity interest in a business which has the potential to grow fast under its existing management.
Write Box F8434, Financial Times, 10 Cannon Street, London EC4P 4BY

DEVELOPMENT CAPITAL

Appleton Holdings Plc wishes to hear from profitable private companies requiring capital to realise their full potential.
Tel: Roderick Gordon 01-748 9020

FINANCE YOUR STOCK

We offer a unique stock finance facility to manufacturers and merchants and are seeking to expand our client base. If you require stock finance please apply in writing to: Churchill Merchants Limited, 128 Buckingham Palace Road, LONDON SW1W 9SA Telephone: 01-730 9628

CAPITAL AVAILABLE

For investment in business seeking to expand or start-up. Funds available for many propositions.
For full details contact: VCE, 2 Bunsen Road, Hoxley in Thames, Essex, SS17 6JF Tel: 0471 57999
A Member of FIMBRA

Replacement window company

in south of England (turnover £8 million+) with substantial overheads and below budget sales seeks discussions with companies for co-operation/merger.
Write Box F8437, Financial Times, 10 Cannon Street, London, EC4P 4BY

Cash purchaser wishes to invest in Apartment Block

in Canary Islands, Costa del Sol or Algarve. Replies in strictest confidence.
Write Box F8442, Financial Times, 10 Cannon Street, London EC4P 4BY

File and video production for marketing, training, company profiles and broadcast advertising.

For more details contact: FORESTRY LAND, 10,000 acres pollution-free best in Essex. Free E.C. grants. Irish Estate, Mayo, 1,500 per acre. Write Box F8439, Financial Times, 10 Cannon Street, London EC4P 4BY.

West End Fund Manager

with A1 & C3 FIMBRA Membership - requires partners. If you control managed funds and wish to create capital value. Please write to: E. SALMON, 128 MOUNT STREET, LONDON W1V 5EA

COURSES

BOSTON UNIVERSITY London • Brussels
MASTER OF SCIENCE IN MANAGEMENT and graduate programs in COMPUTER INFORMATION SYSTEMS

For further information, contact: Boston University-London Regent's College, Inner Circle, Regent's Park, London NW1 4NS England. Tel: (01) 487-7642-7644. Boston University-Brussels Laarbeeklaan 121, 1090 Brussels, Belgium. Tel: (2) 478-7373-8242



United States International University Central London - (near Marble Arch)

Professional evening degree programmes: Masters Degree in Business Administration, Masters Degree in International Business Administration. accessibility + flexibility + affordability + career mobility. Register Now Sept. 5 through 10, 1988. For appointment or consultation, call: London (near Marble Arch), 01-481-2893. Hong Kong, 0852-00007. Full U.S.A. University Accreditation.

HOTELS & LICENSED PREMISES

For Sale

A selection of major commercial, leisure and hotel properties in the US available due to the formation of our new associate office in Palm Springs USA.
All Enquiries: Ashley-Steppard, 18-21 Jersey Street, London SW1Y 6HN. Tel: 01 494 0389

FOR SALE

3* Hotel, St Helier Jersey with development potential.
All Enquiries: Ashley-Steppard, 18-21 Jersey Street, London SW1Y 6HN. Tel: 01 494 0389

FOR SALE

West Country Hotel & Leisure Chain, company purchase.
All Enquiries: Ashley-Steppard, 18-21 Jersey Street, London SW1Y 6HN. Tel: 01 494 0389

BUSINESSES FOR SALE

Godwin Warren Control Systems Group of Companies

Businesses for Sale

Godwin Warren Engineering Limited
Godwin Warren Services Limited
Godwin Warren Microsystems Limited

- design, manufacture, installation, service and maintenance of car parking and traffic control systems.
- design, manufacture and installation of railway and industrial barrier control equipment.
- substantial order book.
- employs approx. 200 people.
- turnover in excess of £7.4 million per annum.
- freehold and leasehold premises in the Bristol area.
- established outlet in the USA.

Godwin Warren Parking Limited

- management and operation of car parks under contract arrangements.
- off-airport parking for holidays and business.
- existing contracts worth over £300,000 p.a.

Apsley Signs and Graphics Limited

- manufacture and supply of full range of signs and, in particular, traffic signs.
- wide ranging customer base including Local Authorities, British Rail, etc.
- good order book.
- employs 16 people.
- rented premises at Apsley, on the A41 near Hemel Hempstead.

For further information, contact the Joint Administrative Receivers: Sue M. Watson FCA and Jack Lewis FCA, Godwin Warren Control Group, Southgate, Whitefriars, Lewins Mead, Bristol BS1 2NT. Tel: 0272 277323 Fax: 0272 230026.

Arthur Young

A MEMBER OF ARTHUR YOUNG INTERNATIONAL. Authorised by The Institute of Chartered Accountants of England & Wales to carry out investment business.

SYSTEMS ENGINEERS HORSHAM

The business and assets of E&E Systems & Management (International) Limited are available for sale as a going concern. The principle features include:
• Specialisation in simulation systems
• Systems installed and operating in process industries and in the oil industry
• Further systems at advanced stage of development, including a unique air traffic control simulation training system
• Turnover 18 months to 31 March 1988, £422,000
For further details please contact the Joint Administrative Receivers: Peter Beirne or Stephen James.

KPMG Peat Marwick McLintock
Queen Square House, Queen Square, Brighton BN1 3GD. Telephone: (0273) 820042 Fax: (0273) 23723 (Authorised by the Institute of Chartered Accountants in England & Wales to carry on investment business.)

HARDWOOD JOINERY SYSTEMS LIMITED IN ADMINISTRATION

The business and assets of the company are available for sale as a going concern. The company manufactures a range of hardwood doors and windows to order. It operates from factory premises near Bristol.
- annual turnover £1.5 million
- quality products
- good customer base
- 80 employees

All enquiries should be addressed to: C J Barlow FCA and R W Birchall FCA, Joint Administrators, Cork Gully, 86 Queen Square, Bristol BS1 4JP. Telephone: (0272) 277165. Telex: 448632. Fax: (0272) 307008.
Cork Gully
Cork Gully is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

ammaco

Of interest to manufacturers, sports wholesalers and retailers wishing to establish a direct supply of high quality bicycles, including mountain, racing, ladies, BMX and childrens bikes. The trade mark designs and manufacturing connections of Ammaco are for sale. Current UK professional road race and 5,000m pursuit champions and many other championships including worldwide and European, established market share and UK dealer network.
For further details please contact: M. Bennett on 01-376 5632 or fax 01-352 4427.

U.S. LIFE INSURANCE COMPANY \$1 BILLION IN ASSETS

* Recognized leader in investment orientated life insurance products with licences in all states, the District of Columbia, all Canadian provinces, Guam and Puerto Rico.
* Broad based distribution network with emphasis on sales through financial institutions.
* Substantial growth over past five years with revenues approaching \$300 million
Principals Only Contact
P.O. Box 1119
Wall Street Station
New York, NY 10268-0167

Constructional Engineering Company

Successful company producing mainly structural steelwork for the construction industry
Operating from freehold factory premises in the West Midlands and employing a total workforce of 80 persons (direct and indirect).
Excellent record and potential. Turnover circa £4m.
For further details please write to Box H3823, Financial Times, 10 Cannon Street, London EC4P 4BY

FOR SALE PLUMBERS MERCHANTS

* Established Midlands Group
* Profitable going concern
* Turnover in excess of £2.2m. per annum
* First class management and workforce
* All freehold sites with potential development
Write Box H3793, Financial Times, 10 Cannon Street, London EC4P 4BY

1,000 WEEKS OF TIMESHARE INVENTORY

Divestment sought of inappropriate portfolio interest in this one off leisure subsidiary. £8m timeshare inventory and annual hotel trading turnover of £1m for sale.
Principals only write Box H3802, Financial Times, 10 Cannon Street, London EC4P 4BY

INTERNATIONAL BUSINESS SOFTWARE PUBLISHING COMPANY

LIFETREE GROUP LIMITED (IN ADMINISTRATION)
The Joint Administrators seek investors or purchasers for the business and assets of an established software publishing company with a high profile in business word processing for IBM and Amstrad PC's. Exclusive licence agreements with two major US software houses and representation throughout western Europe. Registered user base of 30,000. Leasehold premises approximately 25 minutes from Heathrow. For further details please contact: W.J.H. Elles, Ernst & Whinney, 30 Garrard Street, Reading RG1 1NR. Telephone: (0734) 500611.

Ernst & Whinney
Accountants, Advisers, Consultants

HIGH PRESSURE WATER CLEANERS

PSIMAT LIMITED, MACMACHINES AND CHEMICALS LIMITED (IN RECEIVERSHIP)
Business and assets for sale of one of the leading suppliers to the U.K. market. Net turnover of £2.5 million with significant spares and chemical sales. Direct sales force and nationwide own-service support. For further details please contact: W.J.H. Elles, Ernst & Whinney, 30 Garrard Street, Reading RG1 1NR. Telephone: (0734) 500611.

Ernst & Whinney
Accountants, Advisers, Consultants

MAIL ORDER CATALOGUE FOR SCHOOLWEAR

KIT-OUT FASHIONS LIMITED (IN RECEIVERSHIP)
Business and assets for sale. Operating from Windsor, Berkshire with stock of £200,000. For further details please contact: W.J.H. Elles, Ernst & Whinney, 30 Garrard Street, Reading RG1 1NR. Telephone: (0734) 500611.

Ernst & Whinney
Accountants, Advisers, Consultants

ELEMEC PRODUCTS LIMITED

The Joint Administrative Receivers offer for sale the business of the above company as a going concern.
* Designers, manufacturers and suppliers of communication and safety equipment for North Sea Petro-Chemical industries & other hazardous environments.
* Purpose built factory unit in Nottingham
* Skilled workforce
* Order book circa £200,000
For further details please write to: I.R. Chisholm F.C.A. Joint Administrative Receiver

KPMG Peat Marwick McLintock
St Nicholas House, 31 Park Row, Nottingham NG1 6GR. Telephone: (0602) 483444 Fax: (0602) 483401 (Authorised by the Institute of Chartered Accountants in England & Wales to carry on investment business.)

PINEBROOK ENGINEERING LIMITED

The Joint Administrative Receivers offer for sale the business of the above company as a going concern. Steel fabricators and engineers to the construction industry.
* Large leasehold factory unit in Mansfield, Nottinghamshire
* Skilled workforce
* Large order book
For further details please write to: I.R. Chisholm FCA Joint Administrative Receiver

KPMG Peat Marwick McLintock
St Nicholas House, 31 Park Row, Nottingham NG1 6GR. Telephone: (0602) 483444 Fax: (0602) 483401 (Authorised by the Institute of Chartered Accountants in England & Wales to carry on investment business.)

BUSINESSES FOR SALE

CHRISTIE & CO

The Tarbet Hotel
Arochar
Loch Lomond
Dunbartonshire
Closing Date

Because of a high level of interest in this hotel a closing date has been set for Thursday 15th September 1988 at 12 noon. All offers received in Scotland and legal forms should be submitted to Christie & Co, 15 Alva Street, Edinburgh EH2 4PH.

CHRISTIE & CO

South West Nursing Home
Set in 2 acres Reg. 63 (with waiting list). Possible scope to expand. Current Turnover £13,000 per week. Fully equipped including Lift, Medic Bath etc. Good condition throughout.

HIGHLY SUCCESSFUL FREEHOLD GARAGE CAMBERLEY AREA
Petrol Sales-Forecourt Shop-Wksp + MOT-Spares Shop-Car Sales Plus 2 flats/offices Price £2.25M

Operational Development Ltd
204 Fernbank Road, Ascot, Berkshire, SL5 8JX
Whitfield Road (23-4) BR317 (2 Lines)
FOR SALE
Company located central Europe

Non Destructive Test House
X ray, dye pen, M.P.I, ultrasonics. Very profitable company, only offered due to partnership split.

BUSINESS FOR SALE
Food company manufacture of health food bars and similar products is for sale. Has a strong brand name and supplies most major health food outlets.

FOR SALE ESTABLISHED AIR CONDITIONING CONTRACTING COMPANY
Freehold manufacturing/offices/design/warehousing facilities. Existing nationwide long term contracts, well established nationwide maintenance contracts. T/O approx £3 million.

U.K. Research & Development Ltd
If you know the value of a high profile brand name, you will want to know that U.K. Research & Development Ltd is for sale by tender closing Friday 30th September 1988.

FOR SALE
PROFITABLE U.P.V.C. AND ALUMINIUM WINDOW AND PATIO DOOR MANUFACTURERS SOUTHERN ENGLAND

Established independent FINE WINE MERCHANTS
and importers with off licence and delicatessen. Kent/Sussex borders. Village 15 miles Ashford. Retirement sale. Freehold premises in excellent order.

Metal Fabricating Company
For sale due to owners retirement. Freehold premises in Halifax. Good quality customer base and full order book. Turnover in excess of £475,000 p.a.

PRINTING BUSINESS IN THE HOME COUNTIES
Well established general commercial printers with a turnover of £850,000 and growing. Modern premises of 12,000 sq.ft. on lease. Owner wishes to retire.

Retirement Sale
Founder Director of small established major supplier of specialised products for display, interior design, in-house manufacturing facilities showroom. Blue chip customers. Located Middlesex. Seeks experienced successor for outright purchase.

FAMILY OWNED TYRE/EXHAUST GROUP SOUTH AND WEST WALES
Substantial going concern for sale comprising two freehold retail centres. Price indication 1.3m. Further information available: Dexter Business Centre

CHISWICK W4
Established Residential Estate Agency. Prime position. Substantial offers invited.

CONTRACTORS & PLANT HIRE
Established business serving well known contractors. Extensive inventory of machinery, 2,800 sq.ft. workshops etc. 5 bedded family house. 8 acre rural site. Field £250,000.

For Sale Small.
Construction Company in Dorset area. Tax losses available.

Brickmaking Company
Company includes three major clay quarries each with large quantities clay reserve and two depot sites. Principals only should apply for further particulars to: Box No. H3821, Financial Times, 10 Cannon Street, London EC4P 4BY

INDUSTRIAL CONTROL MANUFACTURER FOR SALE
\$7 million sales - \$1 million profit
Preparatory products
Microprocessor based product designs

Opportunity in Printing
We are a general printing company located in N.W. London with a profitable turnover of approximately £1.7m. The director approaching retirement would consider offers from interested buyers.

FOR SALE IN GERMANY
BANK (with real estate)
BREWERY (with real estate)
HIGH TECH COMPANY (data processing)

ABTA TRAVEL AGENCY
Upmarket Surrey county town. 01 tel. number. This business has unrivalled potential having no direct competition. It becomes available as it is a non core activity for the current owner.

HOTEL OFFERS INVITED
North West England - Excellent site adjacent to Motorway, 100 Modern Bedrooms, Restaurant, Bar and Conference facilities.

Marine Engineering Business For Sale
Buy well established South Coast Marine and General Engineering Company for sale as going concern. Present management available if required. Please reply to: Box H3819, Financial Times, 10 Cannon Street, London EC4P 4BY

Therapeutic company West Midlands for sale Turnover £200k Profitable Write to Box H3827, Financial Times, 10 Cannon Street, London EC4P 4BY

FOR SALE
Fully equipped clothing factory 3 miles from Leeds City Centre. 40 experienced operatives capable of producing 700 jackets per week.

MOTOR DEALERSHIP - NORTH OF ENGLAND
Good profitable new vehicle franchise and strong used car sales with superb showrooms and service facilities. Disposal due to nationalization.

Continuous Stationery
Manufacturer for sale. Excellent customer base. Niche markets. £2 million turnover profitable.

RECRUITMENT CONSULTANTS
Leading company in its niche, operating from prestige offices in west end of London. Fee/gross margin £300,000 p.a. Excellent client base.

SITE INVESTIGATION PILING AND DRILLING
(Southern England)
Highly profitable well established business for sale due to owners retirement. Lucrative contracts and scope to increase trade as very little competition.

Heating & Ventilation engineers
Old established East Midlands City business 1/6 £1,260,000. Excellent blue chip customer base, experienced loyal workforce. £165,000 including freehold property.

Company engaged in distribution of products to automotive and allied trades. Turnover...£1.35m. Profit before tax £150k. Offers around £650k. Principals only.

The Better Business Centre Limited
The best businesses are available from The Better Business Centre. All types, all locations, all prices

PENSION FUND OR VENTURE CAPITALIST
Privately trading company, strong corporate image, turnover £4M plus. Based in Oxford area operating over 20 known retail units in stable consumer durables (15 more units opening soon) seeks investor to replace retiring partner.

Suitable applicant will be able to introduce funds in the order of £1M - exit route USM - Funds required to enable further units in UK and EEC prior to 1992. International licensing potential guaranteed.

Rechargeable Aerosols

Jennican Products Limited (in administrative receivership) the developer of the patented "Jennican" has available the following key assets:
worldwide patents.
worldwide trademarks.
stocks.

CAR DEALERSHIP AND COACHWORKS

EAST MIDLANDS
Long established dealership with attractive franchises and coachwork repairs based in the East Midlands available for sale as a going concern.
Annual turnover £1.3 million
Net asset value in excess of £0.5 million.

Peaf Marwick McLintock

St Nicholas House, 31 Park Row, Nottingham NG1 6GR.
Telephone: (0602) 483444 Fax: (0602) 483401
(Notified by the Institute of Chartered Accountants in England & Wales to carry on investment business.)

BUSINESS FINANCE

Property or Business Purchase
Commercial Mortgage
Business Expansion
Management Buy-Outs
Balance Sheet Lending

COMPANY ANNOUNCEMENTS

DOMINICK & DOMINICK
NEW YORK STOCK EXCHANGE MEMBER SINCE 1870
WE ARE PLEASED TO ANNOUNCE THE APPOINTMENT OF

G. STANLEY BERGE

EXECUTIVE VICE PRESIDENT
DIRECTOR, INSTITUTIONAL DEPARTMENT
RONALD W. KENT
FIRST VICE PRESIDENT

COMPANY NOTICES

CITOH & CO. LIMITED
Announce the following:
It has been determined at a Board Meeting that the Interim Dividend for the year ended 31st March 1989 shall be paid to Shareholders of final record as of 30th September 1988 and that the amount and time of payment thereof shall be decided at a Board Meeting to be held on 17th November 1988

THE LEGAL PROFESSION

The Financial Times proposes to publish this survey on:
Thursday, 20th October 1988
For a full editorial synopsis and advertisement details, please contact:
Wendy Alexander on 01-248 8990 ext 3536 or 01-248 5122

BUSINESSES WANTED

P.L.C. WISHES TO ACQUIRE

We wish to broaden the range of our activities by the acquisition of a contracting company actively engaged in mains and services distribution of water, sewage and gas.
All interests will be treated in the strictest confidence.
Write Box F8436, Financial Times, 10 Cannon Street, London EC4P 4BY

HOME IMPROVEMENTS AND DOMESTIC FURNITURE MANUFACTURING COMPANIES WANTED

We are a fully listed medium sized public company which has diversified into the above areas in recent years. We are now looking to expand those activities by the acquisition of private, well managed companies with a good profit record which is currently between £150k and £750k.

WANTED SOFTWARE HOUSES COMPUTER COMPANIES

We are looking for the following Software Houses or Computer Companies:
1. A Company based in Scotland.
2. Companies anywhere in the UK which are currently losing or of marginal profitability but which could realise their potential as part of our Group.

Mortgages/Lease Insurance broking

Eggar Forrester Holdings Group seek in addition to first class management team, major equity stake giving necessary policy control in handily sized up-market member of Fimbra or equivalent. The aim is expanding South West London estate agent Douglas (currently five offices).

Plc Engineering Seeks Acquisitions

A progressive plc is seeking to expand its business base through acquisition in the manufacturing sector
We are looking for companies in the small to medium size range with pre-tax profits of between £¼m and £3m.
Consideration for the purchase of any acquisition can be based on cash or equity or a suitable mix
Write Box EE367, Financial Times, 10 Cannon Street, London EC4P 4BY

BUS AND COACH BUSINESSES WANTED

A major passenger transport company wishes to acquire bus and coach companies in most areas of the UK. Existing management to be retained if required.
Write in confidence to: The Chairman, Box F8327, Financial Times, 10 Cannon Street, London EC4P 4BY

Leisure Industry

Quoted Plc seeks companies with a proven track record operating in the leisure sector.
Write Box F8311, Financial Times, 10 Cannon Street, London EC4P 4BY

OFFICE EQUIPMENT

LIQUIDATED STOCK
FACSIMILE: 2 Panasonic group 3 fax machines @ £635.00 Each
PHOTOCOPIER: 3 Panasonic A3/M copies @ £699.00 Each
All Equipment is in good working order
Telephone (0692) 862024

AIRCRAFT FOR SALE

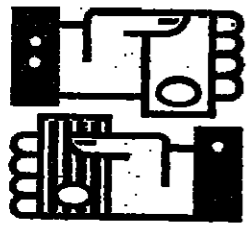
Bae 800B ZK-TCB
S/N 258001-1795 TT-MSP
Falcon 200 VH-HPJ
S/N 491-1725 TT-MSP
Merlin III-S/N 111-S/N 172E
OPEX AVIATION, INC. USA
Fax 805-969-1521
Tel 910-321-0317
Phone 805-969-4611

FRANCHISING

The Financial Times proposes to publish this survey on:
Saturday 24th September
For a full editorial synopsis and advertisement details, please contact:
Jacqueline Keegan on 01-248 8000 ext 3740
or write to her at:
Bracken House, 10 Cannon Street London EC4P 4BY

Handwritten note: Just, no list

FINANCIAL TIMES SURVEY



The US drought has meant an increase in commodity fund participation; sugar and rubber have had

a strong year, too. International agreements have been less successful, however: coffee and cocoa prices have continued to slide, writes David Blackwell

A thirst for speculation

THE PAST year has seen the world of commodity markets change dramatically.

The most positive cause has been the drought in the US - bad news for farmers, but good news to the Chicago markets, which soared as the prospects of a disastrous harvest loomed ever larger. The surge in prices drew in speculative money which had been looking for somewhere to go since the stock market crash in October last year.

In the period from January to July, the Chicago Board of Trade's agricultural futures volume soared when compared with the same period in the previous year. The soybeans contracts were the most volatile, and increased in volume by 79 per cent. But wheat contracts traded 70 per cent more, and corn (maize) 42 per cent, while US Treasury Bond futures - the market leader - were only 12 per cent up.

Speculative money spilled over from Chicago to New York, causing unexpected surges in the cocoa and coffee markets, and fuelling the rise in sugar prices, which touched seven-year highs in July.

"An immense amount of money has switched away from the metals and financial markets," according to Mr Richard Feltes, director of research at Refco, in Chicago. "An

increase in volume of this size indicates an enormous increase in commodity fund participation."

On the negative side, however, has been the failure of both the coffee and cocoa commodity agreements to halt the slide in world prices in the face of over-production.

The International Cocoa Organisation (ICCO) is meeting this week in London with only a gloomy prospect ahead of it. Demand for cocoa is growing steadily, but not enough to soak up the rapid increase in world production. Prices this year have touched historic lows.

The organisation has tried to hold prices up through a buffer stock system, but the buffer stock reached the maximum level of 250,000 tonnes last February - and still prices fell. It has been buffeted by internal wrangling, with consumers and producers seemingly far apart. Its finances are not in good shape - the Ivory Coast, the world's biggest producer, owes the buffer stock more than \$30m.

In addition, the Malaysian and Indonesian producers, whose increasing output is contributing substantially to the world cocoa glut, have consistently declined to join the ICCO.



Commodities Quay, at St Katharine Docks (left); and inside the London Futures and Options Exchange (right)



A Royal visit for Fox

THE FIRST forward contract to be cleared in London - for white sugar - was processed in 1888 by the London Produce Clearing House. Today that company is known as the International Commodities Clearing House (ICCH), which developed the automated trading system used for London Fox's latest white sugar contract, launched in July last year.

On Thursday, the Princess Royal, in her capacity as president of The Save the Children Fund, will visit the London Fox celebrations of 100 years of sugar trading at

Commodity Quay, St Katharine Docks. She will be presented with a warrant for at least 100 tonnes of sugar for Save the Children. Clearing futures contracts is now a highly computerised business, and ICCH has become the clearer for nearly all London's futures contracts, including those traded on the London International Financial Futures Exchange and the London Metal Exchange. It also clears and guarantees contracts for exchanges in Paris, Sydney, Melbourne, Hong Kong, and New Zealand.

London is still overshadowed by the New York Coffee, Sugar and Cocoa Exchange, which has a very successful raws contract and about 73 per cent of the world sugar futures trade, compared with London's 20 per cent, and Paris taking the remainder.

However, the launch of the ATS contract has helped London to re-emerge in the past year as the centre of the physical trade, according to Mr Jonathan Payne, of London broker Czarnikow and chairman of the Fox sugar futures committee.

Over the past five years the US has reduced its sugar import quota from 5m tonnes to about 1m tonnes, reducing the trading opportunities there.

The success of the ATS system, developed by London's International Commodities Clearing House, has given the exchange the opportunity to consider more new contracts - including an arbitrage contract for white and raw sugar. Contracts in rubber and arabica coffee are also being considered.

London Fox, formerly the London Commodity Exchange, has become much more conscious of the necessity to market itself since moving to its new headquarters at Commodity Quay, St Katharine's Dock, in May last year. The change of name, which soon followed, raised a few conservative eyebrows, but traders now seem to have accepted it.

Many other changes also followed the introduction of options on cocoa, coffee and sugar. Mr Con Lennan, marketing director, sees this as the most exciting area for growth.

"The old contracts have 100 per cent penetration," he says. "In the world of options, we're starting with a baby, and it has enormous potential." He points out that, in New York, sugar options are running at 30 per cent of the futures volume.

One options trader estimates that London would be doing well if options volume were to reach 10 per cent of the underlying futures volume. "There is much more room for expansion," he says.

The exchange has also introduced "locals" who trade on their own account. It aims to have sold all 50 available seats at £10,000 apiece by the end of this year.

In addition to all these changes, the exchange has had to accommodate the UK Financial Services Act, the impact of which is still being assessed. While the exchange welcomes the legislation, it has been surprised by the expense involved.

The costs of compliance with the new legislation have been the main concern throughout the London commodities world, and have actually led to the formation of a new exchange - the Baltic Futures Exchange (BFE).

The BFE was launched in December last year, combining five small markets in order to avoid duplicating the regulatory and administrative costs involved in becoming a Recognised Investment Exchange. It consists of London's potato, meat, soymeal, grains and freight futures exchanges.

Worries about the cost also sparked the formation of a Commodity Traders Group, which is pressing the Association of Futures Brokers and Dealers (AFBD) for reforms to lessen both the expense and the complexities of complying with the law.

Meanwhile, analysts are fairly optimistic about commodity markets in general. Mr Paul Lennie, of Prudential Bache, sees a continuing bull market if fears of inflation persist in the US.

Mr Richard Feltes of Refco agrees. "The volume of trading in the agricultural markets will settle at a higher level than it has been for the last three years."

Soft Commodities

Organisation (ICO) has tried to support prices by means of an export quota system, which has also proved unsuccessful.

It has gradually reduced the total world export quota over the past 12 months but, because of the original allocation of quotas, this has created a shortage of the top quality arabica coffees which consumers want to buy, while leaving too much robusta coffee on the market. A wide price differential has emerged between arabicas and robustas.

At the organisation's meeting later this month, delegates will not be faced with quite as gloomy a prospect as the cocoa organisation. Nonetheless its problems are formidable, and time is pressing, for the agreement expires in September next year.

The US, the world's biggest consumer, is still undecided whether it will be party to the next agreement - and the European Community is pushing for substantial reforms to the rules. Meanwhile, produc-

ers are stonewalling any ideas for change.

The International Natural Rubber Organisation's commodity agreement has proved the most successful in operation - but largely because the fundamental factors in the market have changed.

Prices have reached eight-year highs as demand for rubber has risen strongly, driven by increased use of condoms and rubber gloves following the spread of Aids; a rise in tyre production; and increased demand from the Far East.

Like cocoa, the organisation runs a buffer stock operation, but it is now selling off the stock in a move to keep prices down as demand outstrips supply. The buffer stock, which stood at 370,000 tonnes at the beginning of this year, is expected to be fully sold off by the end of December.

The International Sugar Agreement, which was due to come into force on January 1, was finally ratified at the end of March after several delays

- but it provides for no market stabilisation measures and is seen by the market as irrelevant. However, sugar has had one of its best years for a long time, with prices more than doubling in the past 12 months.

Traders are delighted. "After standing on the sidelines for nine or 10 years, sugar is one of the most interesting commodities around," says one.

It has not been a market for the faint-hearted, one analyst observed as the market retreated from the seven-year highs set in July, when the London Daily Price for raws hit \$385 a tonne as speculative money poured into the booming New York market.

Prices have come down by about a third since then, but nevertheless have been firmly underpinned by two main fundamental factors: demand is outstripping supply, and the Far East take-off, particularly by China, has increased substantially.

World stocks have fallen for the past three years, and the

stocks-to-consumption ratio is now at its lowest since the beginning of the decade.

The rise in sugar prices amid continuing volatility has been good news for the London Futures and Options Exchange (Fox) which has seen volume in sugar futures soar in the past year. Raw sugar futures contract volume rose by 74 per cent in the January-July period this year to 817,684 contracts.

The exchange also has a new weapon in its armoury: the white sugar contract, run on an automated trading system. The contract was launched in July last year in a move to attract business back from Paris, which was taking 70 per cent of its white sugar futures trade from London.

Interestingly, the new contract seems to have expanded the market, although Paris has suffered to some extent. In its first year the Fox contract traded 378,000 lots, compared with 402,000 in Paris, which traded 509,000 lots the year before.



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The Futures & Options Exchange

LONDON FOX is the contract authority for trading in Cocoa, Robusta Coffee, Raw and White Sugar Futures and Traded Options markets.

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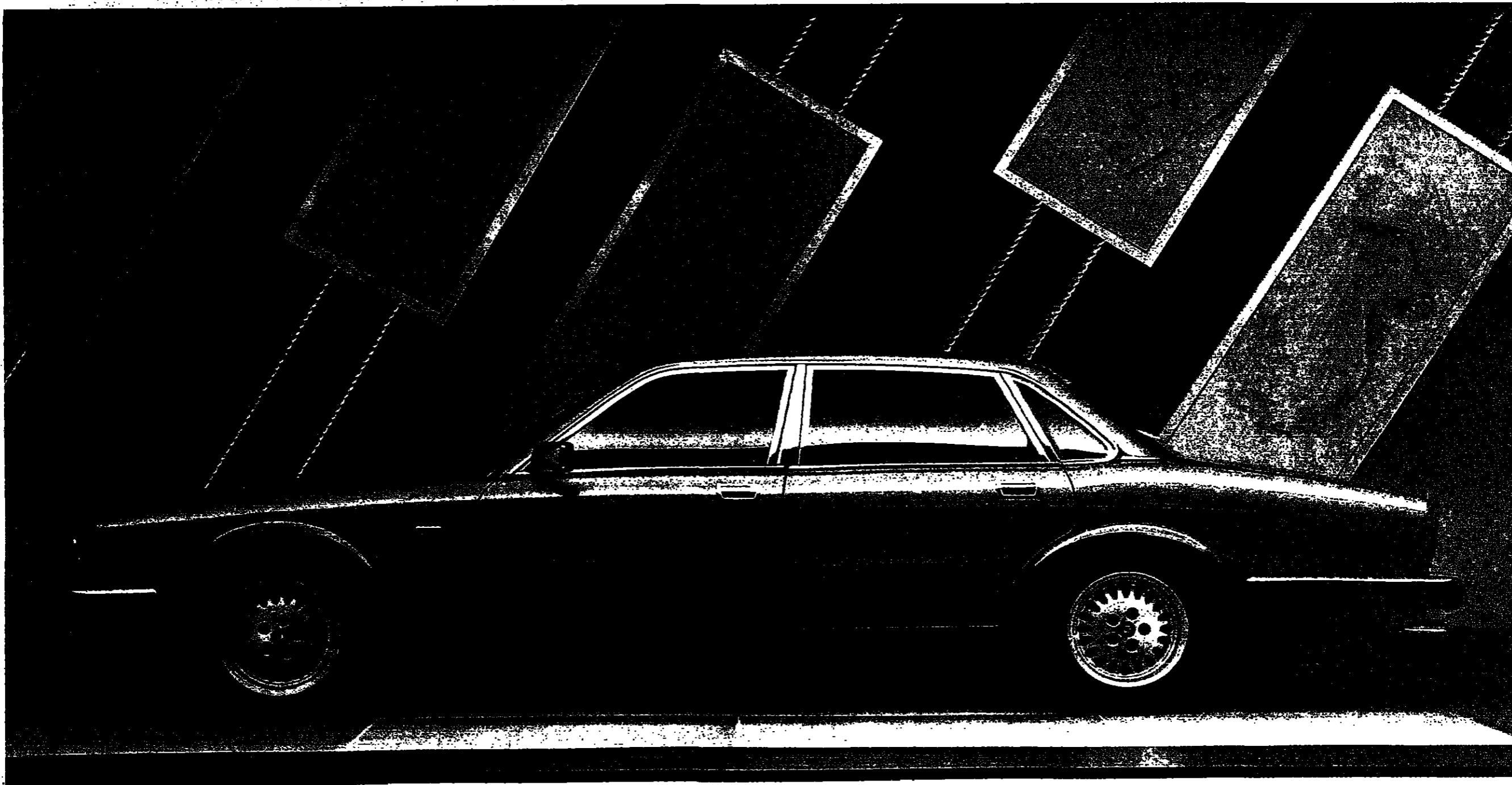
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TECHNOLOGY

Helping small firms to exchange money

By Della Bradshaw

COMPANIES in Europe that want to buy less than £150,000 of foreign currency now have an alternative to using a High Street bank.

Citibank, of the US, is using a computer-based system to allow smaller companies to buy foreign exchange at the live dealing rate, rather than the rate offered by the banks.

Foreign exchange dealers are reluctant to deal with clients exchanging sums of less than £150,000 because the cost of doing the transaction exceeds the profit they make.

Citibank has overcome this by grouping small currency transactions into one large one.

These small transactions are marshalled together at the Citibank computer centre, which comprises a cluster of VAX computers. There could be several hundred small transactions changing sterling to dollars, for example, which would be fed through to the foreign exchange dealer as one large one. Companies using the service dial into the centre from their own personal computers via modems.

The cost of using the service is only that of a local telephone call to the computer centre. John Bertrand, head of the Global Electronics Market division at Citibank, says the bank will make its profit on the exchange rate deal.

The Currency Trader system will be available in the UK from October, followed by other European countries. Companies will be able to deal in 26 currencies. In the US, the system has 150 customers and carries out more than 100 trades a day.

At the moment it is restricted to those companies which have a Citibank account and credit authorisation. Eventually Bertrand hopes it will be available to any individual dialling up the Citibank computer centre from a personal computer. "To get down to the individual we need to ensure that credit is not a problem."

Although all the foreign exchange transactions on Currency Trader are done through Citibank dealers, Bertrand plans to have at least one other bank quoting exchange rates by the end of the year.

Rolls-Royce, the UK aero-engine manufacturer, has embarked on a research and development drive that could lead to the world's first aircraft engine built more of ceramic materials than metal alloys.

Research is under way into materials which include a glass/ceramic composite that could replace titanium. As well as Rolls-Royce's in-house projects, associated studies are being carried out at UK universities, the Atomic Energy Authority's Harwell Laboratory and by Pilkington, the UK glass company.

Ceramics could lead to new concepts for engines, including ones designed for pure vertical lift as opposed to the combined lift/thrust Pegasus engine on the Harrier vertical take off fighter. These lighter engines would have low inertia and enable aircraft designers to opt for smaller flaps and rudders.

The research effort involves a quest for higher engine performance, lower weight and increased engine life, all at the lowest cost.

Military customers are making the toughest demands, as governments try to reconcile tight defence budgets with the need for more complex, high performance equipment.

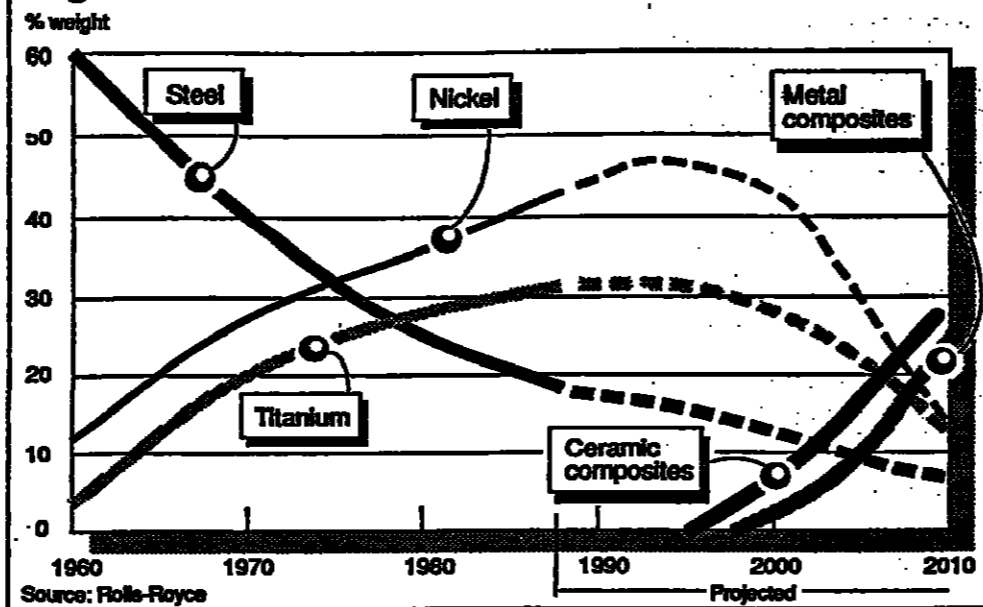
Air forces have asked for a ten-fold increase in engine life; 25 per cent cuts in purchase and maintenance costs and in fuel consumption; a thrust 20 times the weight of an engine, compared with a thrust/weight ratio of 2:1 on current engines; and turbine temperatures of 2,277 degrees C compared with 1,377 degrees C. The first jet engines, operating in the 1940s, had thrusts of about three times their weight and operated at 827 degrees C.

Gains are increasingly difficult to attain by modifying the design of metal engines. Because of their maturity, a disproportionate amount of money and effort is needed to achieve only modest improvements.

Rolls-Royce says its aim is to achieve half the improvements for its military engines by better design and half by changes to the materials and manufacturing processes. Although it believes that alternative materials, such as ceramics, offer the best potential, there are severe limitations.

Keith Garwood, Rolls-Royce's assistant chief engineer for advanced engineering, says: "Ceramics are stepping out of their infancy and starting to mature. They still tend to be very brittle and somewhat unusable in engine terms, but the drive is on to introduce ductility into

Main trends in the materials used in jet engine manufacture



New thrust towards the ceramic engine

Lynton McLain explains why Rolls-Royce is stepping up its work on new materials

the external components of ceramic components by incorporating filaments, or whiskers, of silicon nitride."

China tea cups are ceramic. They ring when tapped. Too hard a blow and they smash, evidence of the brittleness that has hindered industrial applications of the material.

Rolls-Royce is considering advanced ceramics for the fierce conditions inside a turbojet engine, just as it considered carbon fibre as an alternative to metals in the early 1970s. The company tried carbon fibre for fan blades on the

RB-211, but chicken carcasses fired into the engine as a test for bird strikes smashed the 6 ft diameter blades.

Rolls-Royce says it has learnt from the experience. It has formed a committee of external materials experts under Sir Alan Cottrell, former vice chancellor of Cambridge University. None of its R and D into new materials can proceed far without the committee's approval.

The target for designers seeking to cut engine costs are the hundreds of metal turbine and compressor blades in its

curse. These spin to produce jet thrust.

The latest European engine, the Eurojet EJ200, being built by a consortium to power the Eurofighter, has 1,800 blades compared with 2,845 on the previous generation RB199 engine in the Tornado fighter. But there are limits to cutting the number of blades.

A complementary advance would be to replace the metal blades with ceramic ones. The advantage would be that they could either operate at higher temperatures, allowing better performance, or for longer at

BRITTLENESS has always been a characteristic of ceramics and, while the bouncing china tea cup has yet to be invented, aero engine manufacturers are making the material more ductile.

This can be done in three ways, according to Philip Enfield, director of design engineering at Rolls-Royce.

First, production processes for ceramics have to be improved to eliminate defects. Silicon nitride, a ceramic made by casting, is brittle; cracks do not spread, the product simply breaks. This is more likely to happen if there are defects in production, so eliminating these improves results.

The second technique is to reinforce ceramics

to give a ductile, composite structure. Silicon carbide fibres are made into a matrix, or mat. This is suitable for non-structural components, such as jet nozzles. It is possible to weave these fibres into a turbine disc complete with blades, says Enfield.

The third technique is to develop new designs that accommodate the characteristics of ceramics. Metal parts can accommodate the high stress associated with intricate shapes. The aim with ceramics is to engineer the material and the shape of the part together. Ceramic blades do not have the fir tree-shaped roots of metal blades, they have a pyramid-shaped base for low stress.

today's temperatures.

By replacing the air cooled metal blades on the Tornado's RB199 engine with ceramic blades, which do not need cooling, Rolls-Royce says it would be possible to gain a 5 per cent increase in thrust and a 5 per cent cut in fuel consumption.

However, direct replacement is unlikely to be the way forward. More gains are expected from designing new engines around the ceramic parts.

The materials being considered include resin composites; composite and reinforced metal structures, such as titanium in a matrix with silicon carbide fibres; reinforced glass and glass/ceramics; carbon fibre in carbon; toughened ceramics, such as silicon nitride and silicon carbide, and toughened and reinforced silicon carbide and fibrous ceramic materials.

The reinforced glass and glass/ceramic materials are regarded as being of "major potential significance". The company claims these could "directly replace titanium" and could operate at up to 1,400 degrees C with only half the density of titanium.

Rolls-Royce has already made test blades and blade discs using reinforced metallic materials based on titanium and silicon carbide fibres. These are put on top of metal foil prior to diffusion bonding. This results in a 42 per cent reduction in disc weight compared with solid titanium. The company expects to apply this technology in an engine in the next 12 months.

The challenge for engine makers is to develop techniques for manufacturing these components in large volumes at low cost.

Composite materials have been used for some time for large civil aero engines. However, ceramics show their main advantages of light weight and ability to withstand very high temperatures inside an engine.

Rolls-Royce has built a demonstration version of its Gem gas turbine using ceramic materials for five sections of the engine, including the high pressure turbine blades.

The company says it could save 90 kg in a low pressure turbine rotor disc, in a vertical take off engine, by using a reinforced ceramic silicon carbide material - a weight reduction of 50 per cent.

If the blades on high pressure turbine discs were made from reinforced ceramic silicon carbide, instead of single crystal nickel fitted to a metallic powder disc, the load on the blades would be halved, offering the prospect of higher running speeds and better performance.

Lasers that are used to cure rather than kill

Paul Abrahams reports on a machine that applies low intensity light to aid healing

Lasers have been associated in the popular imagination with Star Wars, death and destruction. But recent developments in laser technology mean that low power light is now being used for healing.

Omega Universal Technologies, of London, has developed a machine that applies low intensity light to ease pain and reduce inflammation. The healing process can be accelerated by as much as 50 per cent, it claims.

"The process is photochemical and not just a placebo - though, of course, with any patient there is a placebo effect with any treatment," says Costas Diamantopoulos, Omega's director. The technology can be used for a wide range of applications, including rheumatoid arthritis, muscle tear, acne and even dentistry.

Diamantopoulos says that a number of regional health authorities in the UK have expressed interest in the technology, because it should allow in-patients to be discharged more quickly and out-patients to make less demands on the health service.

In the past, lasers using helium neon as a light source have been used for healing. However, these gas lasers tended to be bulky and their effectiveness was reduced by the limited range of light they could deliver.

Omega has developed solid state lasers using gallium arsenide semiconductors (electrons travel through gallium arsenide three times faster than through silicon, the conventional material for chips). The new semiconductors are small enough to enable the company to develop a cluster head of 31 diodes, which will deliver light at four different wavelengths, in any combination between 650 and 900 nanometres.

This compares with the performance of neon helium lasers which were limited to between 632 and 638 nanometres.

Mary Dyson, reader in tissue repair biology at the United Medical and Dental Schools in London, says that the biological process by which low intensity light assists in the healing

process is not fully understood. However, she explains that the lasers provide energy which is absorbed by chemicals called the macrophages in the skin. These are able to change light energy into chemical energy, stimulating the production of scar-forming granulated tissue and scar tissue.

She adds that research is being carried out to see whether different types of cell react to different levels of light. If this is proven, then the laser offered by Omega could be used to target particular cells.

Diamantopoulos says that the performance of the new laser is assisted by its portability. The new cluster head, at the end of a fibre optic tube, is placed on the skin.

This avoids the problems associated with helium neon-based machines, which because of their size have to be used at some distance from a wound. As the light travels through air, it is vulnerable to interference and distortion.

He adds that the gallium arsenide-based machine costs a tenth of the price of the previous, gas-based lasers.

Diamantopoulos admits that there has been some scepticism about the product in France and West Germany because of the failure of earlier helium neon systems which delivered in the 632-8 nanometres range. He explains that this range of light is only useful for open wounds because, although it can be absorbed by the melanin in the skin, it is easily scattered and reflected as it enters the body. This means it is ineffective for internal injuries.

He adds that the Omega machine, which has a greater range, has been tested successfully for treating internal wounds. Among the places which have tested the machine are hospitals in Europe and the US. Doctors and physiotherapists at UK football clubs and the Royal Ballet in London have also taken part in trials.

Diamantopoulos is now looking for venture capital to help him launch the product outside the UK.



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FINANCIAL TIMES SURVEY



The industries which serve agriculture are being forced to adjust to changing times. For some this

has involved painful restructuring. But, even if the worst now appears over, the future seems far from certain, writes Bridget Bloom, Agriculture Correspondent

The good old days of 1970s

AGRICULTURE WORLDWIDE is in a state of flux and so, not surprisingly, are the industries which serve it. As farmers in the rich industrialised nations adjust to the pressures of generally declining prices and moves by their governments to cut farm costs and to reduce, if not abolish, the subsidies which did so much to fuel the boom of the 1970s, so agricultural supply industries are adjusting also to these changing times. For some sectors, this has meant a quite profound restructuring, for others a less intense but still uncomfortable and so far incomplete rationalisation. But from the tractor manufacturing industry to those involved in the supply of seeds, feed, fertilisers or pesticides, the last few years have been among the most difficult since the second world war. And if for some the worst now seems to be over, such are the uncertainties surrounding the agricultural scene today that it is far from easy to predict a stable future.

The background to the crisis of the last few years is the boom in farming fortunes in the industrialised world in the 1970s. Production was boosted by the twin stimuli of technological innovation, which increased yields and in which

many agricultural supply industries played a critical role, as well as by the generally high prices which the governments of the US and European Community, in particular, paid their farmers. The problem, however, was that markets for the increased production proved at best stable and at worst declining - or obtainable only by the payment of hefty export subsidies. Cereals and beef, mountains and milk and wine lakes accumulated and were stored at great public expense. Mainly to curb the costs of such support, but partly with an eye to reducing resultant distortions to world trade, the US and EC governments in the mid-1980s embarked on a series of programmes which had the overall effect of curbing production and of reducing farmers' incomes, while the recession which hit farming in the early 1980s increased the number of those leaving the land. The crisis was most acute in the US, where the boom of the mid-1970s, fuelled by huge grain sales to the Soviet Union, raised the paper value of farmers' assets and encouraged heavy borrowing to finance expansion. When commodity prices and land values plummeted, many overborrowed farmers left the land; recent

figures show that the farm population dropped by about 1m between 1980 and last year, to its present level of 1m. In the EC, where there are nearly 11m farmers, the crisis has been less marked, partly because the strength of the farming vote has ensured both a continuation of high support and more recently a relatively moderate package of reforms. Nevertheless, recent figures from the EC statistical office Eurostat show that farmers' incomes fell in real terms by nearly 4 per cent between 1986 and 1987. Despite recently rising world prices of grains as a result of the US drought, this is a trend which seems likely to continue as the reforms, ranging from the introduction of milk quotas in 1984 to this year's series of so-called stabilising mechanisms on support prices for most other commodities, begin to bite. While the most obvious impact on supply industries of the crisis in agriculture has been contracting markets, as articles elsewhere in this survey show, there have been marked sectoral variations. The world's principal tractor makers, for example, have had to cope with a market which fell dramatically at the turn of the decade and still has not recovered to 1970s levels, even

though sales of tractors worldwide now seem to have levelled out, at about 610,000 units. The loss of markets has resulted in a considerable restructuring of the industry. Although only one major producer - International Harvester - has withdrawn completely, there has been a massive movement of US production to Europe, a major push for exports and considerable emphasis on the market for mini-tractors, traditionally the preserve of the Japanese. In the agricultural machinery sector, which covers a wide range of equipment from ploughs and drills to milking machinery, some rationalisation has taken place but more seems on the cards. In the EC, the sector involves several thousand tiny producers; there seems certain to be a contraction in these numbers as a result of mergers or acquisitions with the onset of the single European market in 1992. In 1986 in the UK the market fell by nearly 20 per cent overall, though some sectors - for example, milking machines - have lost as much as 50 per cent of their sales due to the imposition of milk quotas. In the \$20bn worldwide agro-chemical sector, where the success of pesticide development has had much to do

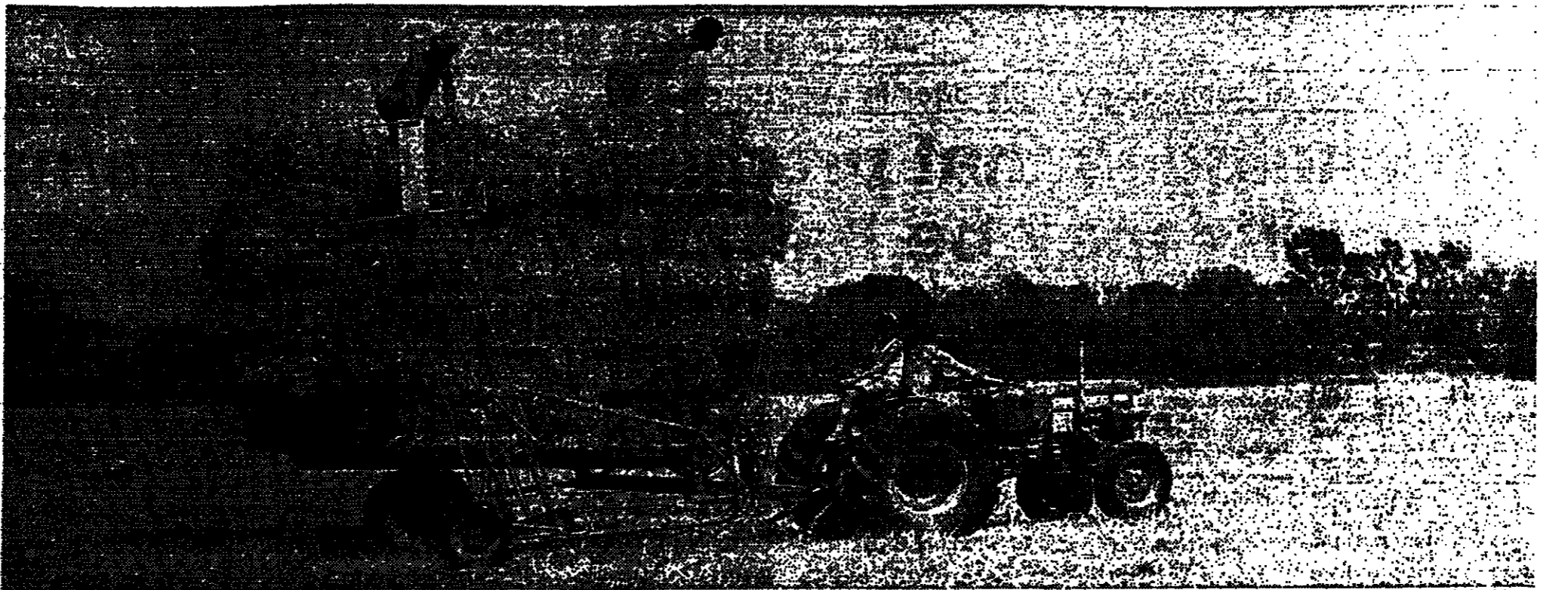
with increasing yields, the decline in markets as a result of the farm crisis has been much less marked. The growth of the industry is predicted to slow to around 3 per cent over the next two years, compared to the 4 per cent a year increase which it has achieved over the last 15 years. Over that time, there has been a marked increase in the size of companies involved in the agro-chemicals sector, partly because of the costs of developing new pesticides. One successful product can cost as much as \$50m to develop. Meanwhile, increasing concern within industrialised countries of the effect of pesticides on the environment partly explains one of the most interesting new developments which has characterised the industry over the past couple of years - the acquisition by agro-chemical and agri-business conglomerates of specialist seed businesses. ICI, Unilever and Bakers within the UK have all recently acquired seed breeding companies, at least partly with the intention of breeding disease-resistant strains. Two other sectors which have been hit by the downturn in farming, though in different ways, are the fertiliser and the animal feed industries. In the

former, one of the problems has been that while markets have declined as farmers have cut fertiliser use to pare their own costs, the resulting overcapacity has coincided with increasing competition from Eastern Europe and some Third World suppliers. This has led to a shake-up among Europe's fertiliser companies which is beginning to produce a leaner, less labour-intensive and more efficient industry. The feed industry in Europe has been particularly badly hit by the imposition of milk quotas, since to cut costs farmers have increased the grass silage fed to cows and drastically cut back on feed concentrates. Additional factors which have particularly affected the UK industry have been the availability of cereal substitutes, such as manioc, which are imported into the EC via Rotterdam and reach the UK at prices considerably below those of more traditional supplies. Once again, a shake-up of the industry is under way, with many small millers and compounders gradually going out of business, a number of larger companies - such as Unilever in Europe - also pulling out, and the remainder undergoing considerable rationalisation.

There are a few bright spots in all this: agro-chemical companies, for example, have hopes of good Third World markets, while several of the largest agribusiness companies are becoming involved in the new bio-technology, which may yet - if at great cost - make the increased yields achieved over the past 20 years look minuscule. Some feed companies are beginning to diversify into higher margin products like pet foods. Some agricultural merchants - which in the UK have declined in number from 2,500 post-war to well under 1,000 today - are managing to corner part of the burgeoning garden supplies market. With the decline of the traditional agricultural merchant and the increasing sophistication of farming and expense of farming machinery, new opportunities are opening up in the UK and elsewhere for farm financing companies, often linked to banks and involved in the leasing of farm equipment. But the factors lending uncertainty to the scene outweigh those more hopeful signs. The US drought is a reminder of the maverick effects of the weather on agricultural business for while world grain prices have been driven up, sales to US Mid-

West farmers have dropped sharply. Those increased prices may temporarily persuade EC or US governments to ease up on farm reforms, but the financial pressures which gave rise to those reforms in the first place could well return with a vengeance in a year or two if farmers step up production in response to the higher prices. It is far from clear at the moment whether much will be achieved in the current round of the Gatt negotiations aimed at reducing the distortions in world farm trade which have been mainly caused by the industrial nations' subsidies. But if trade is not liberalised, the outlook for farm exports to the Third World from the EC or the US is gloomy. As a recent report from the International Wheat Council made clear, developing country markets seem unlikely to offer much room for expansion because while some of those countries will themselves produce more of their own food requirements, others will be prevented from importing because of their increasing illiquidity and debt crises. For the time being, the worst of the early 1980s crisis may have passed for the agricultural supply industry, but that is far from an assurance of a rosy future.

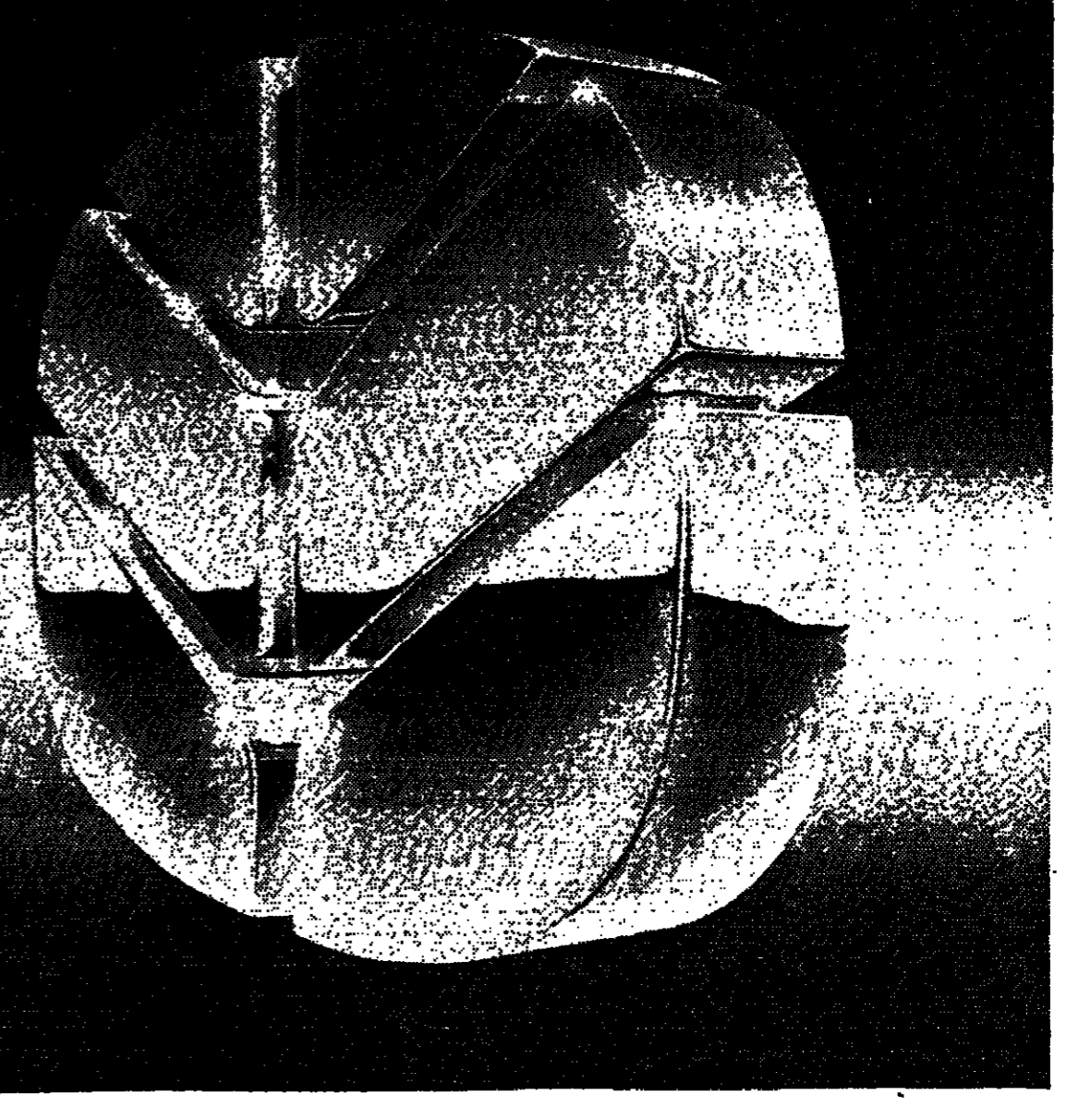
Agricultural Supply Industries



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AGRICULTURAL SUPPLY INDUSTRIES 2

What biotechnology could offer in the future

Techniques that promise benefits may be harmful

THE GREEN cow provides perhaps the most compelling image of what the new science of biotechnology has to offer agriculture.

Green cows would operate more or less in the same way as plants in converting directly into energy, and, in the case of the animals, into meat and milk of use to humans.

At the moment of course cows, along with other herbivorous animals, have to gain their energy through the time-consuming and messy procedure of eating grass and similar vegetation.

Such substances have already obtained their energy from the sun by the action of bundles of biological material called chloroplasts which are present in their cells.

If scientists could somehow manage to incorporate these chloroplasts (which are at least partly responsible for plants' greenness) into the cellular structures of cattle, then the animals would no longer depend on good grazing conditions but would merely require a source of sunlight in order to grow fit and healthy.

The human race could similarly benefit. If men and women had chloroplasts implanted into their skins, they could conceivably grow and develop without much need for food so long as they were exposed to plenty of solar radiation.

Such a scenario could do a lot to solve the world's food shortages. It could also give a boost to travel companies selling package holidays to the earth's sunnier regions.

Green cows or sheep do not exist - not yet. But, armed with modern techniques of molecular biology, scientists may be able over the next few decades to produce such creatures or others transformed from today's animals in similar ways.

The changes that these steps might bring about could materially change the way agriculture is organised.

Biotechnology, which encompasses a set of laboratory methods by which researchers can alter the genetic structures of animals or plants cells to change fundamentally the way they develop, could equally

affect the arable side of farming. In this area, scientists in many parts of the developed world are already trying to change plant cells so that they develop particular resistance to diseases or insect attack.

Thus, plants such as wheat or maize grown with this immunity inbred into them

points out, the scientific methods involved are so new that there is little understanding of the risks that may be involved. The report, from the Office of Technology Assessment, a research arm of Congress, says:

"Some of the controversies surrounding the initial attempts to release genetically

could develop virtually unimpeded in even the most difficult farming conditions, greatly reducing the need for pesticides and possibly adding significantly to the world's food production.

The new techniques, however, may also lead to pitfalls. Many observers, representatives of environmentalist groups in particular, are worried by the potential consequences of changing in such a large scale fashion the way that plants and animals

develop.

There have been fears that tinkering with the genetic make-up of such organisms

could lead to the accidental propagation of man-made cellular material that could possibly be harmful to mankind.

This could happen if, for instance, the biological fragments produced by genetic engineering somehow were able to colonise within parts of the human body and develop there, possibly interfering with human's own reproduction and growth or other functions.

As a recent US report on genetic transfers of this type

plants or animals include many of the chemicals and pharmaceutical concerns such as Monsanto and Du Pont of the US, Hoechst and Bayer of West Germany, Britain's Imperial Chemical Industries and Switzerland's Ciba-Geigy.

Among the schemes which have started up in recent years are projects by several US companies, including Monsanto and International Minerals and Chemicals, to produce bovine somatotropin (BST), a genetically

Other ideas, which may gradually come to fruition over the next few years, are to change the development behaviour of mice and other small animals to make them more suitable for studying how new types of pharmaceuticals operate when infused into animals' bodies.

This kind of work, which could conceivably hasten the development of drugs for illnesses like cancer and other crippling human ailments, also involves people in making difficult choices about the ethics of introducing new genetic systems into animals.

The moral arguments are likely to be as persuasive as the scientific ones over the next few years as the debate intensifies.

*Field Testing Engineered Organisms, Office of Technology Assessment, Washington DC 20510.

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ANIMAL FEED Wide acres/narrow margins

THIS SUMMER'S dramatic rise in the price of soyabean meal is the latest in a list of factors which have adversely affected the animal feed trade in recent years. At one point in late June and early July, UK feed compounders were paying £265 per tonne (from £165 only a few weeks previously) as panic over the US drought gripped the Chicago markets.

Since then, the price has fallen to £200 and has been pushed back to £225 but as the drought continues markets remain volatile.

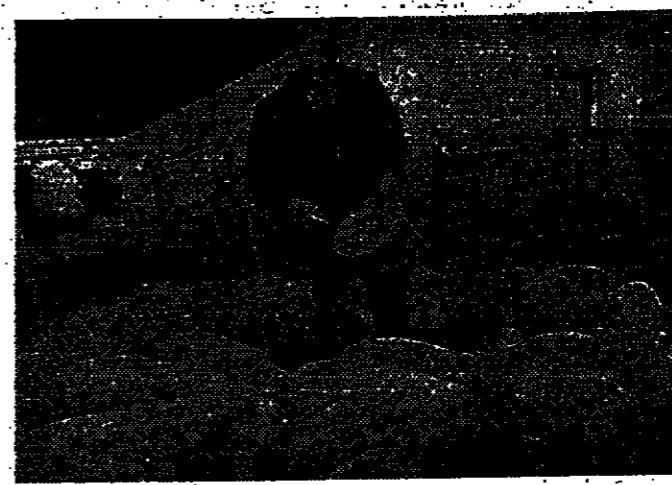
Along with fish meal, the price of which has also gone up sharply because of restricted fishing in South America, soyabean is a major source of protein for animal feeds. It seems likely to hold that position since some animal-based protein sources, such as bone and blood meals, have been implicated in the spread of disease among cattle.

The industry is therefore left with an over-capacity which is likely to put it at about 20 per cent in spite of some recent plant closures. And the narrow margins of those that are left are illustrated by the fact that the whole UK industry was estimated to have turned in a profit last year of merely £150m on a turnover of almost £2.5bn.

In their quest for cheaper (they would say more competitive) animal feeds, compounders have turned to unconventional ingredients. These come under the broad, but to some extent inaccurate, generic title of cereal replacers of CBRs.

The CR business began in the early 1970s when Dutch merchants looking for ways to cheapen feeds for Holland's expanding livestock population realised that whereas imports of cereals into the EC attracted duty, certain products available on world markets could be freely imported.

The first they identified was tapioca, or ground manioc root and Thailand became and has remained the main supplier. As might be expected, given



Feeding pigs on a Herefordshire farm.

all these pressures, the UK animal feed industry has declined over the last few years. According to the United Kingdom Agricultural Supply Trade Association (UKASTA) the total tonnage of animal feeds sold in the UK in 1983 (before milk quotations) was 12.23m tonnes. By 1986 the figure had dropped to 11.13m tonnes - a modest fall considering all the adverse factors.

But an unofficial estimate suggests the figure for 1987 will be as low as 10.7m tonnes. The industry is therefore left with an over-capacity which is likely to put it at about 20 per cent in spite of some recent plant closures.

Meanwhile, recession in both pig and poultry production, which has now lasted more than a year and shows little sign of abating, has driven some farmers out of production and led to more lost business for feed manufacturers. In order to lock in as much trade as possible, some companies have developed and expanded vertically integrated schemes whereby they finance and supply both livestock and feed and the farmer is paid for the use of his buildings and his labour. This trend seems likely to continue.

Table titled 'Compound Feed Production in EC Countries' with columns for 1983, 1984, 1985, and 1986. Countries listed include UK, West Germany, France, Belgium, Italy, Denmark, Greece, and Total.

Table titled 'EC imports of non-grain feed ingredients' with columns for 1983 and 1987. Ingredients listed include Manioc, Sweet potatoes, Brans, Beet pulp, Maize gluten, Brewers' grains, Malva germ cake, Citrus peels, and Other.

Source: United Kingdom Agricultural Supply Trade Association.

FARM MACHINERY

A taste of things to come

THE PROSPECT of 1992 is beginning to worry Europe's farm machinery makers. An industry fragmented into literally thousands of tiny producers with only a few major suppliers, it looks ripe for rationalisation.

"You could see a situation where one company decides virtually to corner the market in one type of product by purchasing other companies in other countries or forming alliances," says Mr Chris Evans, economist at the UK's Agricultural Engineers Association.

A few cross-border shifts have happened already. Three years ago, Fiat of Italy acquired Brand, a French manufacturer of grape harvesting machines. Last year Electrolux of Sweden purchased the farm machinery interests of UK company Ransomes Sims and Jeffries.

In the UK the agricultural machinery sector includes 300 companies, half of them employing 20 people or fewer. Many of these companies have been thinking hard about the likely impact of a more open machinery market. Some of them are discussing possible mergers and alliances, though as yet nothing concrete has come of this.

The UK is an example of the way pressures in such fragmented industries lead to domestic restructuring of companies. What tends to happen is that the sale or collapse of companies results in plant rationalisations but product lines live on in the hands of other firms with the cash to buy them.

The realisation of product ranges was demonstrated particularly by the industry's two big failures - in 1980 that of Howard Machinery whose rotator is now made by other companies and Weeks which was the UK market leader in trailers when it went down in 1984.

minimal value as an animal feed containing only 2.5 per cent protein, a little fibre, even less oil and 70 per cent starch. But blended with the correct balances of soya bean meal, fish meal and the like it made up an acceptable cheap feed for Dutch pigs and poultry.

Last year almost 7m tonnes of manioc was imported into the EC. In addition, a wide range of other commodities, most of which are bio-products of some industrial process and many of which contain more valuable nutrients than manioc, can also be imported free of tariffs - provided they meet certain quality criteria.

Maize gluten, for instance, is a high quality bio-product of the starch industry and citrus peel of the fruit industry. Collectively, importation of CBRs in 1985 was valued at £18.25m. Of that less than 10 per cent came to the UK, partly because many British compounders say they prefer to use more "respectable" ingredients but mainly because Holland still dominates the trade.

The bulky material arrives in enormous cargo ships which only ports like Rotterdam can handle. By the time Dutch merchants have transhipped the commodities, added their profit and sent them across the North Sea, they are no longer attractively priced. So when British animal nutritionists feed the analysis and price data of such products into their computers to calculate least-cost formulations CBRs are less preferred than in some other EC countries.

Dutch animal feeds, on the other hand, and increasingly those in Italy and Spain, as part countries improve their port facilities to take CBRs, are being supplied to farmers considerably cheaper than those in the UK. It could be argued that British farmers are at a disadvantage to some of their European colleagues. It also helps to explain why sales of compound feeds in some other EC countries have remained stable while those in Britain have declined.

Cereal growers, meanwhile, particularly seek to restrain the importation of CBRs into the Community. Prohibit them, they say, and the perceived annual cereal surplus of between 30m and 40m tonnes would be reduced by at least half.

In their negotiations with this year's EC farm price, the Council of Agriculture Ministers presumably conceded that there was some point to this argument. In any event, they discussed the possibility, not of banning what has become politically sensitive imports but of paying a premium on European grown grain included in animal feeds in order to make it more competitive with CBRs. No decision was made, however and the proposal was put aside until October when it will be discussed again.

Meanwhile, the animal feed trade in general, after being repeatedly squeezed in recent years, is probably more efficient now than it has ever been. In spite of that, over-capacity in the industry combined with intense competition for declining tonnages will almost certainly lead to business failures in the short term.

David Richardson

Advertisement for BENTALL SIMPLEX HOLDINGS. Includes images of Marshall and Picador machinery and text describing their services in agricultural equipment and farm machinery.

LETTERS

UK bilateral aid to Zimbabwe may be conditional

From Mr Roger Riddell. Sir, Your article (September 5) on the recent report of the House of Commons foreign affairs committee...

based on the successes of the past. In sharp contrast, in its submission to the foreign affairs committee the ODA argued that further programme aid to Zimbabwe would depend on the Zimbabwe authorities reaching agreement on certain measures of economic reform...

to the Zimbabweans, to see what action will now be taken. Will Britain follow its close ally and increase its bilateral programme aid to Zimbabwe? Or will it still insist that Zimbabwe first complies with the conditionality of the international institutions...

the conclusion that the US will reduce its contribution to Europe's defence, provoking a debate in Europe over the relationship with the US. Europe's defence has hitherto been predicated on two assumptions: the inevitability of the East-West confrontation...

Mutual freeze in radar construction would build trust

From Mr Adam Shulman. Sir, Andrew Gower's article, "US presses Moscow on ABM Treaty" (September 1), covering the attempts by Washington to deflect criticism and put the onus on the Soviet Union for alleged ABM (anti-ballistic missile) treaty violations...

been designed in such a way as to rule out any possibility of it being used as part of an anti-ballistic missile system. Because it only operates on a one-meter wave band, the radar will only be capable of peaceful use, such as tracking space objects...

Soviet Union facilities are clearly not being built with the same end-use in mind. A mutual freeze in construction of radars by the US and the Soviet Union would be a great step towards building trust. The ABM treaty, currently under review in Geneva, cannot be viewed in isolation...

and Western Europe, starting with the two halves of Germany. Egon Bahr, one of the architects of West German Ostpolitik, claims that the European Community's single market of 1992 will put paid to German dreams of reunification...

P&O seamen's dispute at Dover

From Mr Sam McCluskie. Sir, The basis of your report, "Sacked P&O seamen lose fall-back pay" (September 2), is wrong. Seamen in dispute in Dover have never been paid fall-back pay from the Merchant Navy Establishment (MNE)...

When men and mountains meet. From Mr Charles Desforges. Sir, Complaints about the units in which the royal baby's weight and Treasury stock quotations are expressed (Letters, August 18, 24), are inappropriate. Despondency is more to the point when reports on Eurotunnel delays (August 23) talk of "failure to complete five miles on the English side by November."

French policy on waste

From Mr Guy Yelda. Sir, In "Truffles in poison" (August 31), you explicitly point a finger at the French Government in connection with a bilateral agreement allegedly concluded with Benin to export radioactive and industrial waste to that country...

development of the NIS functional elements, and international collaboration. In this latter activity Plessey will work closely with Siemens, the nominated German lead contractor, and assist the MoD to maximise equipment commonality and system interoperability within NATO.

Poverty trap opens in housing

From Ms Sheila McKechnie, Director, Shelter. Your editorial on the Post Office dispute (August 31) includes the sensible and simple statement: "What is also needed is a co-ordinated effort by local councils, business and central government to improve the availability of housing for workers on below average earnings."

Stakes taken in land values. From Mr Henry Law. Sir, Clive Wolman's analysis of distortions in the housing market ("The myth of owner occupation" Weekend FT, August 27) has ignored some of the most important reasons why owner occupation has become so popular - not just among householders, but in the business sector also.

£8m FOR AIRBURST SENSORS. Plessey has won a contract worth over £8 million to supply airburst proximity sensors for the RAF and Royal Navy's 1000th and 540th conventional bombs. These sensors, which interface with the Thorn EMI function bomb fuse, provide for the first time true, ultra-low level delivery with airburst detonation.

AIR COMMAND IN PORTUGAL. In a \$6 million NATO funded contract, Plessey will supply the stand-alone control facility and related communications equipment for phase one of the Portuguese Air Command and Control System (ACCSS). The system, to be operated by the Portuguese Air Force at a major NATO installation, can be either fixed or field deployed, and co-located with an operations centre.

Pre-1992 acquisition 'splurge' into Europe seems unlikely

From Mr Mark Dixon. Sir, The mergers and acquisitions activity implied by 1992 (as discussed in your leader "New target for UK takeovers", August 23) needs to be put into perspective. There is a popular misconception that, in their rush to establish themselves in Europe before 1992, UK companies will launch into a European acquisition splurge. The UK will probably continue to invest more heavily in the US than in Europe for many years. While UK acquisitions in Europe will probably grow fast in years ahead, the base levels are of such different magnitudes that it will take a long time before a trend in favour of Europe is translated into investment flows of comparable sizes.

That said, the important UK buyers in Europe will probably be those which have already expanded sufficiently in the US. In terms of number of UK deals made, Europe may equal the US as we approach 1992, but the average size of deals in Europe will be smaller than in the US (currently \$94m). The European deals will be smaller because of the fragmented nature of the investment. It will probably not be until the late 1990s - after a "testing period" - that the annual value of acquisitions in Europe will equal the value in the US. There has been a considerable historical build-up of British acquisition investment in the US. Europe will probably have to wait until the next century before accounting for an equal share.

generation of mobile air command and control systems. Plessey will link it to existing radar installations by microwave, and distribute data locally by fibre optic cable. Plessey radars and associated systems are now in operation in 110 countries.

transportable by land, sea or air, it is the first in a new

FOREIGN AFFAIRS

An era of doubt and difficulty

Ian Davidson assesses the challenges for Europe in the coming decades

In the past few years, two striking things have happened. Some of the political expectations about the shape of the world which once appeared to be built on rock now look much less reliable, starting with the assumption of an incurable hostility between East and West. And there has been a radical shift to economic liberalism worldwide, with a globalisation of every kind of market, and a down-grading of welfareism and state intervention.

These twin factors can be expected to spawn far-reaching changes worldwide, but for Europe the changes could be so radical as to verge on the revolutionary. Here are some of the implications: In the 40-year old East-West confrontation, Europe has necessarily been in the front line. If that confrontation were to give way to something else, it is in Europe that the effects would be most pronounced. We may not yet know whether Mr Gorbachev is pursuing genuine détente, or merely "détente" as a way of improving Soviet leverage; but we do know that he is pursuing a policy of movement and initiative which is quite different from the inertia of his predecessors, and which in general puts in question the fixed structures of the Western side.

In particular, Soviet détente (or "détente") implies a similar evolution in Eastern Europe, and raises questions over the relationship between Eastern and Western Europe, starting with the two halves of Germany. Egon Bahr, one of the architects of West German Ostpolitik, claims that the European Community's single market of 1992 will put paid to German dreams of reunification, but it can equally be argued that détente will for the first time make reunification imaginable on terms that West Germany could accept. Moreover, any real and lasting improvement in East-West relations will make it more difficult for the US to go on carrying its present military burden in Europe, which will be greater than elsewhere because Europe went furthest, in the post-war era of high growth rates, in building centrally

funded health, welfare and social security systems. It is not obvious how these systems will be financed in future, or whether their costs will impose competitive penalties on Europe as a whole. Faced with high unemployment, which risks rising much higher, neither European governments nor experts have a solution, though most fall back on the need for better education and training as part of a solution. Education is labour-intensive and expensive, however, and the time required for a significant change in the performance of education systems is much greater than the time horizon, say, of the single European market. Jacques Delors, the European Commission's president is publicly rebuked for suggesting that governments need to consider the policy balance between national capitals and Community institutions; yet the Community network already forces economic policy convergence between the member states, and the EMS imposes German standards on the other participating countries. If a single European market really is created, the pressure for convergence will become stronger, and the dilemma will be whether to make policy convergence explicit or not.

All these changes bring to a head two broad sets of political issues: what is the nature and purpose of the European Community; and how will political establishments handle the political stresses of economic and social change? Mrs Thatcher is anxious to play down the political dimension of the Community, but the question cannot be settled as easily as that. If the East-West relationship is facing a period of flux and uncertainty, the assumption of American leadership is also bound to be questioned, and Europeans will be obliged to formulate their own responses to Soviet initiatives. Other political questions are unavoidable in any case: for example, should Europe's space policy be partly determined by strategic objectives, or only by commercial considerations? Or again, is the Community by definition part of the Western system, or could it admit a country like Austria which is neutral. The domestic political dilemmas of the member states may become even more salient, not least because of the impoverishment or abandonment of the traditional left-right political dialectic. A period of more intense competition both within the Community and with the rest of the world is bound to impose significant strains on the social fabric of the member states. It is far from obvious that Europe's social and political institutions are well equipped to handle those strains. Trade unions are weakened by the trend away from smoke-stack industries. Left-wing parties are weakened by the discrediting of the socialist model. The rightward drift of conservative parties leads them into laissez-faire policies which do little to help those left behind. The National Front in France is likely to remain a significant force for some time to come. It would not be surprising if there were analogous movements of backlash against the new liberal orthodoxy, or

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against 1992, in other Community countries. Some seasoned observers of the European scene even predict a diplomatic game of chicken between Britain, France and Germany, to see which will propose a postponement of the 1992 deadline. In the rest of the world, the US already has a unified market and a political system long committed to the liberal ethic. Japan's politico-social system seems to confer peculiar homogeneity and resilience. Only the Soviet Union, and perhaps some Third World countries, face pressures for change so numerous, and so acute, as those that now bear down upon Western Europe.



ADVERTISEMENT. PLESSEY HOTLINE. PLESSEY H. LEAD CONTRACTOR FOR NATO IDENTIFICATION. The appointment of Plessey as UK lead contractor for the long-awaited NATO Identification System (NIS) opens a new era in defence. The introduction of NIS on a tri-service, system-wide basis will constitute a major MoD investment on one of the largest electronic projects currently envisaged. Plessey has been involved in NIS since its concept in the early 1970s, through feasibility studies and project definition. It participated in the recent and successful international interoperability trials in the USA. The new contract covers programme management, and development of the NIS functional elements, and international collaboration. In this latter activity Plessey will work closely with Siemens, the nominated German lead contractor, and assist the MoD to maximise equipment commonality and system interoperability within NATO. The selection of Plessey as lead contractor in the UK for NIS brings nearer the entry into service of this vital NATO system, intended to replace the current identification Friend or Foe systems. Plessey has now received a further order from Boeing Commercial Airplane Company - worth nearly \$4.5 million - for fuel pumps for the Boeing 737, the world's best selling aircraft. The Plessey pumps are the only type which are flight qualified for all fuels on the Boeing 737-300. They will also be fitted on the 400 and 500 Series of aircraft. The latest Boeing order is a further example of how Plessey expertise in low-pressure pumping and fuel systems has brought success on an international scale. AND NASH PUMPS FOR PLESSEY. To develop its aerospace pump market even more widely, Plessey has just bought the range of commercial and military aircraft pumps produced by the Nash Engineering Company in the United States. Plessey will acquire the Nash range of fuel boost/transfer pumps, backing pumps, and suction lift and flight refuelling pumps, many of which incorporate 'liquid ring' technology. The pumps have a high reputation for reliability within the aerospace industry and are specified on various current and new aircraft programmes. This acquisition will further extend the already impressive range manufactured by Plessey at Titchfield, in Hampshire. All marketing/sales, product support and development will be undertaken there. PLESSEY. The height of high technology.

Mark Dixon, The British-American Deal Review, 23 Ponsbury Terrace, SW1. Many UK companies which have not yet acquired in the US will be forced to do so in order to compete with those which already have. (A series of such "trigger" acquisitions in the US has taken place among UK advertising groups.) Long-term interest in the US market as indicated by (inter alia) UK acquisitions after the stock-market crash of October 1987, which pulled the financing carpet out from under many UK companies planning US acquisitions. In the first quarter of 1988 we recorded 110 deals worth \$9.2bn (equal to the pre-crash quarterly spend). There is no reason to believe that this investment flow will evaporate simply because there is now an awareness of Europe's opportunities.

INTERNATIONAL COMPANIES AND FINANCE

German note maker banks on its security

Haig Simonian visits Giesecke & Devrient, the secretive and little-known printer

THE SMOOTH introductory video says there is "a veil of silence" but looking at the safeguards at Giesecke & Devrient, one of the world's leading security printers, even that is an overstatement.

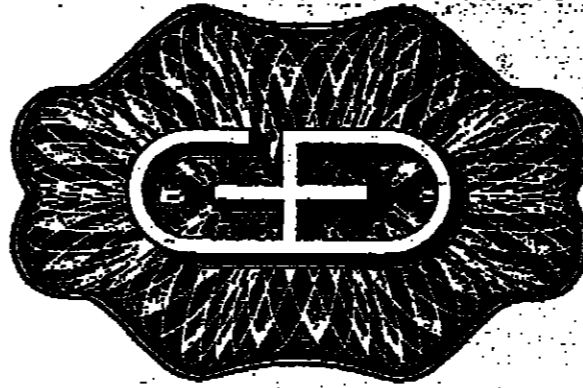
The company, based in Munich, has no press department, nor even a publicity policy as such. Requests for interviews are a matter of board-level discussion - and are usually turned down. Even the front door is hard to find.

So it is slightly less surprising that the three top managers at the company which produces banknotes for the West German Bundesbank and many other central banks, asked not to be named, when interviewed, amid veiled allusions to security.

Their reticence stems as much from avoiding attention from the gutter press as from potential leaks. Giesecke & Devrient, founded in Leipzig in 1852, is still a family concern, and its owners are not short of cash. One of the managing directors said: "We don't advertise, and we don't look for publicity. There are about 300 customers around the world in our business who matter and they know us."

The customers are a privileged group, and most of them will be assembling for the annual IMF/World Bank meeting in West Berlin later this month. For even in an industry dominated by specialists, Giesecke & Devrient is highly unusual.

De la Rue in the UK and the American Banknote Company in the US are its prime competitors in security printing, while Portals of the UK is a rival when it comes to making banknote paper. However, according to Giesecke & Devrient, no



other company in the world offers the same range of security printing, paper making and - increasingly - card and electronic security services under one corporate roof.

As printers of German banknotes the group has been an almost perfect mirror of the country's turbulent economic development over the past 136 years. Starting with 10 Thaler notes for the Duchy of Altemburg in 1856, the company was soon printing currency for the nascent German Reich and its far flung colonies and later the Weimar Republic.

The Second World War seemed to mark the end of all that. However, the Leipzig works, heavily bombed, would eventually become the base for the German Democratic Republic's state banknote printing operation, while the rump of Giesecke & Devrient moved to Munich, where it gradually re-established itself after 1948.

In 1969 came the first order for banknotes for the newly-created Bundesbank - a task the company still shares exclusively with West Germany's

state-owned Federal Printing Works. West German banknotes had, since the end of the Second World War, been produced by the western occupying powers, not always to the highest standards, and forgery was frequent.

Preventing counterfeiting remains an obsession at Giesecke & Devrient and one of the main reasons for its almost obsessive security-consciousness. Nowadays, the safeguards are principally technological.

Involving specially-developed engraving and printing techniques as well as unique paper, but picking the right staff and being choosy about one's visitors also helps.

The importance of the paper was grasped early on. Giesecke & Devrient's early banknotes after the Second World War were all printed on imported stock. Only in 1964 did it buy a paper-making plant in upper Bavaria, which it then converted to its special requirements. The group now exports paper to some 50 countries.

Yet while traditional bank-

note printing remains the biggest single source of revenue, it has declined somewhat in importance over the years. Giesecke & Devrient, like its international rivals, has not been immune from the increasing tendency of developing countries in particular, to organise their banknote printing business back home.

One executive said: "Thirty years ago, about 80 per cent of banknotes were provided by private companies. The ratio is probably about 80 per cent state-produced, and 20 per cent purchased from the private sector now."

The company has made virtue out of necessity and become a provider of printing and paper-making technology as much as a manufacturer of the finished product. Among its current orders are a paper-making plant - about twice the size of its German operation - for China and others for Poland and South Korea. On the printing side, it is selling facilities to Zaire, Burma, Zimbabwe and Egypt. About half of its total orders come from abroad.

Yet it was not just fears of a decline in its traditional business that prompted the company to buy Giesecke's former Automation and Organisation (GAO), a small Munich-based research outfit, in the early 1970s. With credit cards and automated payments systems all the rage, especially in the US, many thought the days of the banknote were numbered.

Since then, GAO's workforce has risen from 30 to 400 people and it is now the group's research and development arm. Plastic cards are now one of its main pre-occupations and the company is the main producer of smart telephone cards for the German Bundespost as

well as a leading source of laser-printed Eurocheque guarantee cards for German and other banks.

However, GAO has also conducted research into developing banknotes which are not only harder to forge but which more easily be used by a variety of machines from hole-in-the-wall automated tellers to highly sophisticated sorting units for central banks.

Meanwhile, the gradual revival of the German stock market in the mid-1980s has provided a further boost to the traditional security printing side. Along with R. Oldenbourg, another specialist based in Munich, Giesecke & Devrient is Germany's leading printer of share and bond certificates. Rolling off its presses have come certificates for a number of new flotations such as Nordorf, Hugo Boss, Henkel Springer and Porsche.

Total group sales now amount to about DM8500m (\$370m) - up from about DM1500m in the late 1970s, while the workforce has grown from 1,500 to around 2,500 in the same period. R&D accounts for more than 10 per cent of turnover.

Yet for all its achievements, gaining hard financial facts about Giesecke & Devrient is almost as difficult as discovering its printing techniques or the still-secret design of Germany's new range of banknotes for the 1990s. Earnings and dividends are not disclosed, nor is much said about the precise shareholder structure.

As the smooth narrator on the video says: "For our friends, we should like to open all our doors. But regretably..." At Giesecke & Devrient, that wording is apt in more ways than one.

The customers are a privileged group, and most of them will be assembling for the annual IMF/World Bank meeting in West Berlin later this month. For even in an industry dominated by specialists, Giesecke & Devrient is highly unusual.

De la Rue in the UK and the American Banknote Company in the US are its prime competitors in security printing, while Portals of the UK is a rival when it comes to making banknote paper. However, according to Giesecke & Devrient, no

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Marzotto leaps by 43% at midway stage

By Alan Friedman in Milan

MARZOTTO, Italy's biggest textile and clothing manufacturer, has reported a 43 per cent jump in net profits to 1.28.2bn (\$21.1m) for the first six months of 1988.

Marzotto's sharp rise in turnover is attributable largely to its acquisition of Lamerossi, the formerly state-owned yarn and clothing maker.

Marzotto, which is 80 per cent owned by the family of Mr Pietro Marzotto, the chairman, has been growing rapidly by acquisition.

When the revenues from newly-acquired companies are stripped out of Marzotto's first-half turnover, the growth rate among existing companies is reduced to 12.9 per cent.

The company expects turnover to total around Li.460bn which would represent a year-on-year rise of nearly 80 per cent. Unlike other leading Italian clothing producers Marzotto has operations that range from raw materials to ready-made clothes.

Study turns fraud case in VW's favour

By Haig Simonian in Frankfurt

THE LEGAL battle between Volkswagen, the West German car manufacturer, and the National Bank of Hungary over damages in the DM473m (\$254m) foreign exchange fraud unearthed in March last year has turned in VW's favour after the conclusions of an expert report commissioned by a Frankfurt court.

According to the study by Mr Erwin Blumenthal, a former head of the foreign exchange department at the Bundesbank, the Hungarian bank should have made further inquiries at VW after it had entered into foreign exchange contracts with the company's dealing staff at rates that were well outside market rates.

VW alleges that the contracts were in fact taken out in its name by members of its foreign exchange department in conjunction with Mr Joachim Schmidt, a Frankfurt-based foreign exchange broker. Last month, two former VW employees, Mr Burkhard Junger and Mr Lutz Quagell, were both ordered to pay the company substantial damages, while investigations against Mr Schmidt are proceeding.

Lawyers acting for the National Bank of Hungary have responded to Mr Blumenthal's conclusions by accusing him of bias.

It is now up to the court, which has been adjourned while the two sides prepare their detailed responses to the report, to decide further on the matter.

Mr Manfred Pilgrim, the head of VW's legal department, yesterday appeared appreciably more optimistic as to the outcome.

Both sides have treated the action as a test case and VW would almost certainly seek further damages from the bank should the court rule in its favour in the present action.

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D-Mark-Baer, Julius Baer
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September 5, 1988

New holders for Bollore

By George Graham in Paris

MR VINCENT BOLLORÉ has announced the creation of a cascade of holding companies to allow him to bring new institutional shareholders into his company Bollore Technologies without giving up control.

As well as a 25 per cent stake held directly in Bollore Technologies, a conglomerate of special papers, electrical, transport and trading groups listed on the French second market, the Bollore family will also control a further 25 to 30 per cent through a series of four companies.

At each level of the cascade, the Bollorés retain control, while bringing in at different stages the Lazard merchant bank, the Credit Lyonnais and BNP commercial banks, the AGF insurance company, the Luxembourg holding company of Italy's Agnelli family, which is closely linked to Lazard, and the Edmond de Rothschild financial group.

Bolloré earlier this year won control of the fuel trading company Rhin-Rhone, despite initial opposition from its principal shareholder, the oil company Elf Agip, and then acquired the French arm of the Diner's Club travel and charge card group.

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In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the Interest Period 31st August, 1988 to 30th November, 1988 has been fixed at 12 1/2% p.a. The Coupon Amount payable on 30th November, 1988 against presentation of coupon number 16 will be £156.17 for the £5,000 Notes and £7,808.66 for the £250,000 Notes.

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Essential reading to bring you up to date with 4 major Yugoslav companies

Generalexport

ANNUAL REPORT 1987

GENERALEXPORTE International Trade Company, Belgrade, Yugoslavia. Generalexport is a multifarious enterprise comprising of 16 specialized divisions, and a network of over 70 branches in nearly forty countries worldwide.

The company is involved in all kinds of international trade and special transactions, holiday package tours, air transport, hotel and catering services and domestic trade. It is increasingly active in providing civil engineering services for turn-key projects. With a workforce of 5,000 it generates a turnover of more than 6 Bn. dollars annually, with a steady growth averaging between 5-7% in each of the past ten years.

ISKRA Iskra, based in Ljubljana, is the biggest Yugoslav electro-industrial company with more than 100 production plants employing more than 35,000 workers. Its production range covers telecommunications, computers, automation, electro-optics, measurement and control, electronic and electromechanical components and apparatus and consumer products. In all its production plants Iskra is capable of joint ventures both in Yugoslavia and abroad.

Iskra

ISKRA

ISKRA (4,000 employees), Novo mesto, Yugoslavia, is one of the leading Yugoslav producers of pharmaceutical raw materials, drugs for human and veterinary use. It is also noted for its chemical and biochemical synthesis, feed additives, processing of medicinal herbs, cosmetics and technological transfers. It is also a manufacturer of insulation material and is concerned with health resorts, the hotel industry and tourism. Iskra's 1987 total income amounted to 179,175,446,000 dinars and its exports were worth 72.5 million dollars.

RADE KONČAR

RADE KONČAR, Rade Končić Electrical Industries and Engineering, Zagreb, is one of the leading Yugoslav exporters of electrical equipment, employing 24,000 in 46 factories. 40% of its total sales are exported to 70 countries. The production programme is largely based on the company's own technical and technological development, resulting in significant technology transfer and co-operation with partners worldwide. Manufacture includes: electric rotating machinery, hydro and thermo generators of large output, power transformers of all sizes, switching apparatus of all voltages, industrial electronics and computerized process control, and a whole range of electrical products for the most diverse applications.

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INTERNATIONAL COMPANIES AND FINANCE

Japanese embark on overseas paper chase
Ian Rodger on investment projects in the newly confident pulp and paper industry

Japan's venerable pulp and paper industry is on the move. In the past two years, Japanese companies have launched six large overseas investment projects and, according to industry officials, more are on the way.

Its problems began in the 1980s when companies had to invest heavily to keep up with surging demand arising from Japan's rapid economic growth.

overseas expansion plans with a view to heading off intensified competition in the Japanese market from foreign companies.

Eastern Air to go ahead with 4,000 dismissals

By Anatole Kaletsky in New York

EASTERN AIR LINES, fresh from a victory in its latest legal skirmish against its unions, said it would go ahead with the 4,000 dismissals which it was prevented from carrying out by an earlier court decision.

missing its employees while it was still bargaining with their unions on a long series of work disputes.

The struggling carrier, one of the two main operating subsidiaries of Texas Air, the biggest US airline company, had announced almost two months ago that it intended to sack 4,000 of its employees, cancel more than 10 per cent of its daily flight schedule and close its big route hub and regional operations centre in Kansas City.

However, in a clarification of his ruling, Judge Parker said the airline could go ahead with its schedule changes and flight cancellations, in effect requiring the company to continue employing people for whom there would no longer be work to do.

Husky signs deal to build C\$1.3bn upgrading plant

By David Owen in Toronto

HUSKY OIL, controlled by Canada's Nova Corp in conjunction with Mr Li Kasheng, the Hong Kong financier, has signed an agreement with the governments of Canada and its Alberta and Saskatchewan provinces to build a C\$1.3bn (US\$1.05bn) crude oil upgrader near Lloydminster on the Alberta-Saskatchewan border.

SCA in newsprint mill venture

By Sara Webb in Stockholm

SCA, ONE of the leading Swedish forestry groups, and Cellulose du Pin, a subsidiary of the French St-Gobain group, are to set up a jointly-owned newsprint mill costing up to FF20m (\$316.9m).

The new mill, which will have an annual production capacity of 210,000 tons, is due to start operating in 1990. It will be built in south-west France and will supply the southern European markets.

State reduces holding in Jamaica telecoms group

By Canute James in Kingston

FOURTEEN Jamaican companies have agreed to underwrite an offer by the island's Government of 13 per cent of the shares of Telecommunications of Jamaica, in which Cable and Wireless of the UK has a 39 per cent interest.

State reduces holding in Jamaica telecoms group

By Canute James in Kingston

FOURTEEN Jamaican companies have agreed to underwrite an offer by the island's Government of 13 per cent of the shares of Telecommunications of Jamaica, in which Cable and Wireless of the UK has a 39 per cent interest.

The offer involves 105.4m shares which are being sold for \$16.85m. It will reduce the Government's stake in the company to 40 per cent, putting the majority of the assets in private hands.

UK BANKING
The Financial Times proposes to publish this survey on:
26th September
For a full editorial synopsis and advertisement details, please contact:
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INTERNATIONAL CAPITAL MARKETS

France leads the EC mutual funds race
George Graham looks at the impact of a single European market on unit trusts

France's Sicavs have passed the milestone of FF1,000bn (€158.4bn), underlining their position as by far the largest unit trust industry in Europe.

At the end of July, according to the financial statistics specialist TGF, the 698 French Sicavs - Sociétés d'Investissement à Capital Variable - managed between them a total of FF1,008.5bn.



Daniel Lebegue: 'EC tax needs to be harmonised'

company as an adjunct to an insurance contract. This may strengthen French fund managers against inroads from foreign groups after October 1989.

hold at least 40 per cent of their portfolio in listed securities must go, to enable the creation of real money market funds.

Mortgage lenders pump life into Labor Day

By Our Euromarkets Staff
TWO UNUSUAL issues for mortgage lenders yesterday broke the Labor Day tedium as it spread across the Atlantic into the Eurobond markets.

The borrower is a sole-purpose company established by Royal Trustco of Canada for its issue of C\$120m in mortgage-backed notes issued by a Royal Trustco affiliate and ultimately backed by home mortgages.

issued a \$100m five-year Eurobond bearing a 9 1/2 per cent coupon and a guarantee from Fuji Bank. The bonds were priced to yield 7 1/2 basis points over US Treasuries.

Seats offered on Dublin market

By Our Euromarkets Correspondent
THE EUROPEAN Mercantile Exchange, which plans to establish a futures market in Dublin opening next May, said yesterday it was offering for sale 200 seats on the exchange.

Japan poised for half-year issues record

By Stefan Wagstyl in Tokyo
JAPANESE companies are set to raise a record ¥6,478bn (\$47.7bn) in new equity and convertible bonds in the financial half-year which ends this month.

Air India hopes to fly into the black

By R.C. Murthy in Bombay
AIR INDIA, the country's flag carrier, hopes to return to profit this year after being in the red for the past two years.

FT INTERNATIONAL BOND SERVICE

Table listing international bonds with columns for Country, Issue, Maturity, Yield, and Price. Includes entries for US Dollars, Yen, and other currencies.

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday 5 September 1988. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be different. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Large table with columns for Country, Currency, and Exchange Rate. Lists rates for various countries including Africa, Asia, Europe, and the Americas.

Abbreviations: (a) Buying rate; (b) Banknote rate; (c) Commercial rate; (d) Essential imports; (e) Financial rate; (f) Export rate; (g) Non-commercial rate; (h) Business rate; (i) Official rate; (j) Market rate; (k) Monetary rate; (l) Preferential rate; (m) Conventional rate; (n) Parallel rate; (o) Selling rate; (p) Tourist rate; (q) Tourist rate; (r) Tourist rate; (s) Tourist rate; (t) Tourist rate; (u) Tourist rate; (v) Tourist rate; (w) Tourist rate; (x) Tourist rate; (y) Tourist rate; (z) Tourist rate.

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INTERNATIONAL COMPANIES AND FINANCE

Boral to maintain pace of acquisitions and shows 17% rise

By Bruce Jacques in Sydney

BORAL, the Australian building products group, has signalled the maintenance of its rapid pace of acquisitions in spite of apparently modest growth in underlying earnings in the latest June year.

Net profits rose 17 per cent to A\$208.6m (\$165.5m) from A\$178.1m in the period on an almost identical percentage boost in revenue to A\$2.5bn from A\$2.4bn.

Boral is raising the fully-franked annual dividend to 19.5 cents a share from 18 cents and is making its first bonus issue in five years, in a one-for-five ratio. The company has also announced a one-for-eight rights issue at A\$3.15 each to follow the bonus and raise A\$265m.

A large portion of funds from the issue is earmarked for another expansion announced by the group yesterday - acquisition of the 26 per cent stake in Blue Circle Southern Cement which it does not already control from Adelaide Brighton Cement Holdings for A\$145.6m.

The purchase means Boral is off to an acquisitive start to the current year after spending more than A\$100m on a string of small purchases in the latest year. It has already spent A\$43m since balance date acquiring the brick, block and paver assets of the Calad group.

The rights issue will be underwritten by the AMP Society, a leading Boral shareholder. Boral's selection of the AMP offers some insulation against a large shortfall in the issue on any sudden market collapse.

It reflects a lesson learned by the company last year when it launched an unsuccessful issue

just before the October share crash. Boral shares closed 11 cents higher at A\$4.91 yesterday, but were ahead 20 cents before the share issue was announced.

The rapid pace of acquisitions pushed up the group's interest bill another 31.3 per cent to A\$66.9m and was an obvious brake on earnings growth. The directors did not give an earnings breakdown, but it appears that without the cut in Australia's corporate tax rate from 49 per cent to 39 per cent and last year's A\$500m-plus Blue Circle Southern acquisition, annual earnings may have fallen by 10 per cent.

The national tax cut saved the company a net A\$15m on a tax bill which rose from A\$144.9m to A\$163.7m. Funding of the Blue Circle acquisition was a significant contributor to the company's higher interest bill.

Some analysts saw the result as dull, given that home approvals boomed in the period and that the company also benefited from biennial and tourism projects.

Boral indicated that one trouble-spot was the US roof tile and clay brick operations, where housing starts dropped heavily. UK operations earned higher profits, but Australian dollar earnings from both important overseas markets were cut by a firming local currency.

The result followed depreciation of A\$9.2m (A\$6.4m previously) and the company earned a A\$27.1m extraordinary profit, compared with a A\$260.1m loss last year, reflecting write-off of goodwill on the Blue Circle purchase. Under new accounting standards, goodwill is now being amortised over 20 years.

TNT ahead despite associates fall

By Our Sydney Correspondent

TNT, Australia's largest private-sector transport company, overcame a big fall in the contribution from associates' operations to record a 35.4 per cent rise in equity-accounted earnings for the June year to A\$206.6m (\$163.9m) from A\$152.8m.

The result disguised an even more buoyant underlying trend from the company's mainstream operations, which jumped 124.5 per cent to A\$169.9m.

The equity contribution from associates, so often the mainstay of TNT's earnings, was more than halved, from A\$78.9m to A\$36.7m.

The decline reflected some hiccups in the performance of the half-owned Ansett and East-West/Skywest airline operations.

Directors did not give a detailed breakdown, but said Ansett had been affected by a price war and that East-West/Skywest was still undergoing rationalisation. They said East-West/Skywest, however, had produced a reduced loss.

The company is joining the bonus share rush by Australian companies with a free one-for-five issue on which the directors have pledged to maintain the latest annual payout of 15 cents a share.

They said the strongest trading areas were Australian general transport operations, TNT Shipping and Development, TNT Express UK, TNT Traco in Italy and TNT Holland in the US.

The directors said: "While there were some weak areas, including New Zealand, where industry conditions worsened considerably, and some shipping activities, further rationalisation in many areas, together with new ventures and investments, will ensure continued growth in revenue and earnings of the TNT group worldwide."

The result came on revenues up 19 per cent to A\$3.7bn. It excluded a A\$19.7m extraordinary gain reflecting some big underlying movements. The company previously reported a loss of A\$6.1m.

The rise came from changed accounting treatment of exchange movements, which netted a A\$10.4m gain against a loss of A\$6.9m previously.

The extraordinary rise also included A\$60.6m profit from associated companies, compared with a A\$15.7m loss previously.

The group's interest bill jumped from A\$102.2m to A\$142.4m and depreciation was up from A\$61.1m to A\$102.7m.

Bond sells Bell's stake in publisher

By Terry Hall in Wellington and Bruce Jacques in Sydney

MR ALAN BOND'S Bond Corporation yesterday began to shed assets of Bell Group, Mr Robert Holmes à Court's former flagship, just days after taking formal control.

Bond sold Bell's 10.6 per cent stake in Wilson and Horton, publisher of the 250,000 circulation New Zealand Herald, for NZ\$42.7m (\$25.8m).

The price of NZ\$5.75 per share compares with a ruling market level of NZ\$6.10, but represents a bigger discount on Bell's average entry price last year of NZ\$10.55. This suggests

a loss of more than NZ\$35m on the deal before holding costs.

The parcel was believed to have been picked up by friends and business associates of the controlling Horton family.

Independent Newspapers, New Zealand's biggest newspaper group - 40 per cent owned by Mr Rupert Murdoch's news empire - was also thought to be interested.

However, it has just received approval to buy the evening Auckland Star and might have run into Commerce Commission resistance.

Sekisui House lifts pre-tax revenue by 75%

SEKISUI HOUSE, Japan's leading homebuilder, showed a 75 per cent jump in pre-tax profits to Y26.7bn (\$186.4m) in the first half to July, AF-DJ reports from Tokyo.

Sales grew 37.5 per cent to Y357bn.

Sekisui, known for its pre-fabricated houses, lifted revenues from housing construction 34.9 per cent to Y263.8bn while property sales totalled Y73.2bn, up 6.5 per cent.

The company plans to pay a Y10.6 interim dividend, up from Y9. Net earnings per share stood at Y24.51, up from Y18.6.

Sekisui officials estimated sales for the full year to January at Y720bn against Y665.6bn.

They forecast pre-tax annual profits at Y52bn, up from Y35.8bn.

Asia Securities posts 180% rise in profits

ASIA SECURITIES International, the 20-month old Hong Kong property development company controlled by Mr Bill Wylie, boosted net profits 180 per cent to HK\$98.2m (\$12.6m) in the six months to June and expects an only marginally smaller increase for the whole of 1988, says John Elliott in Hong Kong.

Mr Wylie, the Australian financier who ran the Hong Kong-based BSE International electronics group until two months ago, said yesterday that more than 70 per cent of the profits of Asia Securities had come from property trading.

The company was set up in January last year and has cashed in on Hong Kong's current property boom.

Turnover rose to HK\$218.5m from HK\$144.5m with the takeover of Wah Kwong Properties.

Ampol announces output plan after revenue rise

By Our Sydney Correspondent

SIR TRISTAN Antico, chairman of Ampol Exploration, yesterday announced an ambitious five-year plan to transform the company into one of Australia's leading oil producers following a rise in net profits to A\$20.7m (\$16.4m) for the year to June from A\$11.6m.

Sir Tristan said the company, which spent A\$341m on acquisitions during the year - A\$290m of it on acquiring the Papua New Guinea and PNG operations of the related Pioneer Concrete group - aimed to double its oil output to more than 5m barrels a year.

Ampol, which now operates as the petroleum arm of Pioneer, lifted crude oil production during the year from 2.1m bbl to 2.4m bbl, largely reflecting contributions from Timor Sea wells acquired from Pioneer. Sir Tristan said Ampol had participated in 80 wells during the year and would have a share in more than 400 over the next five years.

He said: "Ampol intends making substantial acquisitions over this period which will complement the expected growth in the group's production. The programme will be funded from net operating revenue."

This suggests substantial reinvestment of profits and Ampol demonstrated the impli-

cations yesterday by passing the dividend for the year. Sir Tristan said the latest result reflected higher production, but warned that weakening crude prices could hit current-year earnings.

The result followed a revenue rise from A\$53.5m to A\$59.5m and excluded a A\$9.1m extraordinary gain (all previously).

Pan Australian Mining, one of Australia's fastest-emerging gold producers, has earned a net profit of A\$33.2m from its first full year of operation at the lucrative Mount Leyshon gold mine in Queensland.

The previous year's A\$4.2m reflected only 4 1/2 months of operation at Mount Leyshon.

Mr Bob Bryan, managing director, said gold production in the latest year was 91,400 oz, lifting revenue 515 per cent to A\$82.2m and making the group Australia's seventh largest gold producer.

The company achieved an average gold price of A\$678 an ounce, in the year through aggressive forward selling and a floor price of A\$620 an ounce had been placed under all current-year production against a current market price of A\$540 an ounce.

Mr Bryan said: "By March 1989, gold production will be approaching a rate of 160,000 oz per year."

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UK COMPANY NEWS

Goodhead jumps 82% to £3.56m

By Phillip Coggan

GOODHEAD PRINT Group, free-newspaper publisher and printer, yesterday revealed an 82 per cent jump to £3.56m in pre-tax profits for the year to May 31, despite a flat performance from the printing division.

Printing profits of £1.94m (£1.82m), were held back by the installation of a new Goss Tribune press at the Bristol works. However, the press has expanded the group's printing capacity by 35 per cent and benefits should flow through to profits this year.

Now that the printing division contributes just 50 per

cent of pre-tax profits, the company has decided to shorten its name to Goodhead Group. It is also moving from the USM, which it joined in 1985, to the main market.

The publishing division, which takes in 23 free newspaper titles, was responsible for the greatest improvement, increasing profits from £493,000 to £1.29m.

The results included a nine months contribution from Company Publicity, a design group acquired during the year. The newly formed design division made profits of £253,000.

Turnover amounted to £43m (£35m). Operating profits were £4.14m (£2.78m) and net interest payable was £272,000 (£298,000). After tax of £1,05m (£828,000), fully diluted earnings per share worked through at 14.5p (11.5p). The directors are recommending a final dividend of 3p (2.5p), making a total of 4.5p (3.75p).

COMMENT

These figures show the wisdom of Goodhead's decision to diversify into publishing - without the free newspapers, these figures would have looked mediocre. There is no

sign, as yet, of the advertising-inspired free-newspaper boom grinding to a halt; however, the government's attempts to dampen consumer demand might do the trick. If it does, Goodhead's timing will have been immaculate; following the installation of the new press, it is the printing division that will be setting the pace this year. Add in a full year from Company Publicity and Goodhead should make around £4.8m pre-tax. After yesterday's 4p rise in the share price to 200p, that puts the shares on a prospective p/e of around 12.5; not expensive for a company with a sound growth record.

Quicks sees further rise in second half

By Clay Harris

QUICKS GROUP, Manchester-based Ford, Vauxhall and Peugeot Talbot vehicle and parts distributor, lifted taxable profits by 10 per cent in the six months to end-June.

The pre-tax outcome, up from £1.55m to £1.71m, was posted on turnover of £77.03m (£71.36m) and Mr Tim Worral, managing director, said he expected the second six months to show a steady improvement over the corresponding period last year.

Earnings per 10p share declined to 3.5p (11.21p) reflecting an increased tax charge of £420,000 (£260,000) and the increased share capital following last year's rights issue.

The directors, however, set the interim dividend at 1.5p - a 71 per cent increase - and to align the two payments more closely intend to raise the final to 3.5p. Last year Quicks paid an adjusted final dividend of 3.125p.

Pickwick boosts profits to £741,000

By Vanessa Houlder

NEW PRODUCTS - such as GCSE crammer courses, Mills & Bona romances and Cook-ery with Keith Floyd - helped Pickwick Group, distributor of records, cassettes and videos, boost pre-tax profits from £592,000 to £741,000 for the first six months of 1988.

Turnover increased by 38 per cent to £14.5m (£10.5m). The slight decline in net margins from 5.6 to 5.1 per cent was due to increased advertising costs, a capital expenditure programme, and a change in product mix which increased the

video operations from 40 to 53 per cent of sales.

Mr Ivor Schlosberg, chief executive, said that, given the seasonal bias towards the second half, the group would again manage margins of about 10 per cent for the full year. With the expanded infrastructure in place, he anticipated continuing progress in the second half of the year.

As part of the group's expansion programme, it has spent £1.5m on its production, packaging and distribution network. It has expanded its com-

puter operation, invested in new packaging machinery, built a mechanised video warehouse and set up a video production and sound studio in partnership with Ladybird Books.

New products for the second half of the year include Ladybird videos and Sticker-Tale - an educational book and cassette pack.

The acquisition of Old Gold Records, bought for an initial £200,000, had recently been completed, with benefits that should flow through over the

next few months, said Mr Schlosberg.

Mr Schlosberg said that he welcomed the 21.2 per cent stake taken in July by Pearson, the publishing conglomerate with interests that include the Financial Times, Penguin and Longman. He envisaged that, from next year, Pickwick would expand in Australasia, Canada and the US with the help of Pearson's overseas networks.

Earnings per share increased by 25 per cent to 2.18p (1.74p). An interim dividend of 1p (0.8p) has been declared.

Assocd Nursing expands

By Clay Harris

ASSOCIATED NURSING SERVICES, a USM-quoted owner and manager of homes for the elderly, has bought three more nursing homes for a total consideration of £4.75m, including assumed debts.

The acquisition of the homes in Cheltenham, Newbury and Devises owned by Dalecare

brings to 10 the number of facilities owned and operated by ANS. The group will now provide 486 beds with a further 30 under construction.

ANS, which was created under the Business Expansion Scheme, joined the USM through a placing in March.

R & J Emmet advances 27%

R & J Emmet, which joined the USM in May, increased taxable profits by 27 per cent in the six months to June 30. The advance from £2308,000 to £2930,000 (£333,000) was achieved on sales up 40 per cent from £1.85m to £2.59m.

The company makes and markets an Irish cream liqueur under the brand name Emmets - its main market is the US.

After tax of £8,000 (nil) earnings worked out at 3.14p (2.95p).

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SHARE STAKES

The following changes in share stakes were announced recently:

AC HOLDINGS: Bank of New Zealand has by virtue of a deed of mortgage acquired an interest in 631,293 shares registered in the name of Phantom Holdings.

ASSOCIATED BRITISH FORKS: Shares held in discretionary investment portfolios managed by, or on advice from Mercury Asset Management increased to 19.34m (22.06 per cent).

BENLOX HOLDINGS: Dr Ashraf Marwan is beneficial owner of 4.48m shares (10.17 per cent).

BRITISH BLOODSTOCK Agency: Grant Logic has interest in 210,000 shares (5.95 per cent).

EASTBOURNE WATER: Equity and Law Life Assurance Society purchased 18,879 4.9 per cent consolidated ordinary stock and holds 118,679 (23.32 per cent of voting stock).

GT VENTURE Investment: Changes in client holdings resulted in the aggregate of the holding of GT Management and its subsidiaries and discretionary managed clients being reduced from 30.82 per cent to 28.54 per cent.

GIBBS MEW: IEP Securities, wholly-owned subsidiary of Industrial Equity (Pacific) purchased 30,000 shares and holds 365,600 (6.61 per cent).

MARCH GROUP: Mr M Shaw, director, sold entire family holding of 770,500 shares at 75p each.

MARLING INDUSTRIES: Prudential Corporation increased interest to 1.25m shares (5.02 per cent).

MINERALS OILS and Resources: Strabul Nominees reduced holding to 223,045 shares.

OCSONICS GROUP: Mr R F Alred, deputy chairman, sold 250,000 warrants at 17p each, reducing personal interest in warrants to 625,485.

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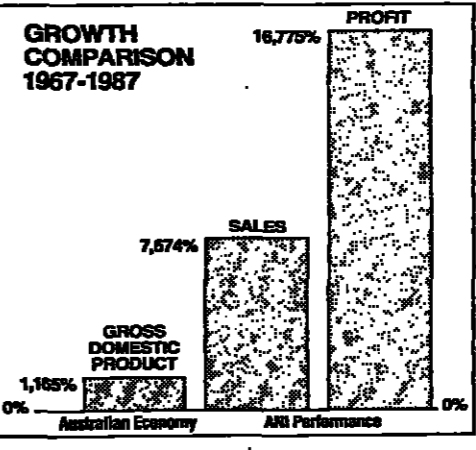
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For further information phone 01-638 9571 or write to Debbie Potts, Dewe Rogerson Limited, 3½ London Wall Buildings, London Wall, London EC2M 5SY.

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Jonathan Britton Finance Director Suisse Bank Corporation International Ltd	John Farnley Director Morgan Grenfell & Co Limited
Grubben Simister General Manager, Treasury Nomura Bank International plc	Paul Newbury-Wilson Assistant Manager Barings Brothers & Co Limited
Karin Lee Assistant Director, Treasury and Trading Group Barings Brothers & Co Limited	Michael Humphreys Assistant Director ISI International Limited
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TYPE OF BUSINESS _____

UK COMPANY NEWS

Appletree seeks buyer for troubled snack foods side

By Nikki Tall

APPLETREE HOLDINGS, fresh produce packing and marketing group, is putting its troubled Hunters snack foods division up for sale.

by the very poor summer... and further intensified price competition in the crisp market.

At one stage, Appletree was looking to expand Hunters - it was reportedly interested in buying Golden Wonder - but now says the financial resources involved would adversely affect profits elsewhere in the group.

Linread rises 16% to £1.23m at halfway

LINREAD, manufacturer of cold formed fasteners, reported a 16 per cent increase in profits in the six months to June 25.

All-round growth helps Asda Property advance to £3.44m

ASDA PROPERTY Holdings reporting substantial progress in the first half of 1988 with pre-tax profits up from £1.4m to £3.44m.

Haynes Publishing advances to £2.56m

HAYNES PUBLISHING Group increased its profits for the 1987-88 year from £1.85m to £2.56m pre-tax, with all of the improvement coming in the first six months.

Caird moves into toxic waste with Technosafe purchase

By Clay Harris

CAIRD GROUP, the acquisitive waste disposal company, is adding its first toxic waste treatment facility with the purchase of Midlands-based Technosafe for £3.5m in shares and cash.

new plant. Caird also owns 5.5 per cent of Leigh Interests, a leading Midlands-based waste company where one of Technosafe's founders formerly worked, and 12.7 per cent of Wilestec, an OTC-traded specialist cleaning and materials group.

Dagenham Motors rises 79% to £1.9m midway

DAGENHAM Motors Group, south-east based Ford car, van and commercial vehicles distributor, has achieved strong sales and profits growth in its first results since joining the main market in April.

American Distributors turns in £0.81m midway

AMERICAN DISTRIBUTORS reported a pre-tax profit of £218,000 for the six months to June 30 1988. In the same period of 1987 a profit of £27,000 was announced.

CLWYD



The success of the County of Chwyd. In rebuilding its economic base, it has become a legend. An amazing transformation has taken place during the 1980's, with Chwyd clearly emerging as one of the prime U.K. locations for company investment and expansion.

Form with fields for Name, Title, Company, Address, and Tel. Includes a map of Chwyd and the slogan 'A BETTER BUSINESS DECISION'.

COMPANY NEWS IN BRIEF

CONSOLIDATED VENTURE Trust. Net asset value per 10p share 308.5p (254.5p) as at July 31. Net revenue for six months to end-July £1,000 (£58,000) resulting in nil earnings per share (0.58p).

Lister advertisement with logo and text: 'The company is liquid... these times offer a great opportunity to the group'. Includes contact info for Justin Kornberg, Chairman.

NORTHERN IRELAND advertisement. The Financial Times proposes to publish this survey on: Tuesday, 18th October 1988. Topics proposed for discussion include: OVERVIEW, THE ECONOMY, INDUSTRY, PRIVATISATION, RETAIL & PROPERTY, COMMUNICATIONS, SMALL BUSINESSES, ENERGY.

国際不動産コンサルタント advertisement. Lists services in Japanese: 1. 不動産鑑定, 2. コンサルテーション. Includes contact info for Knight Frank & Rutley.

BNP Mortgages Limited advertisement. Money Market Mortgages. The rate for these mortgages for the quarter beginning 3 September 1988 will be 13.375% (APR 14.38% variable).

Carroll Industries Corporation plc advertisement. Secured Medium Term Development Loans. £64,000,000. Carrying a fixed rate of interest and allowing flexibility of drawdown in connection with the Hatfield Galleries. Arranged by Samuel Montagu & Co. Limited.

SAVILLS BUSINESS SPACE advertisement. A strength in the land. In 1988 12.9 million square feet has been acquired for occupiers, let, sold or bought for development. Nick Cook or Jeremy Atkinson 01-499 8644.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and pound hold steady

CONFIDENCE IMPROVED ON London's financial markets yesterday, as sterling and the dollar held steady, and the prospect of higher interest rates appeared to fade after the August US employment data.

The D-Mark continued to consolidate its position against the yen, rising to 773.30, from 773.15 on Friday.

US producer prices for August on Friday may bring the market back to life, but there are very few other figures for the market to digest this week.

An illustration of the dollar's quiet performance is provided by the yen. The US currency closed at Y185.95 in London on Friday, followed by Y185.90 in New York, and Y186.05 yesterday in Tokyo.

Most potential for the dollar now appears to be on the downside, with the market looking for an early attack on DMI-8500 against the D-Mark, and possibly DMI-8800 soon after.

In Milan the Bank of Italy sold around \$2.5m when the dollar was fixed at L1881.85, against L1897.00 on Friday.

A rise in the US unemployment rate announced Friday, coupled with a smaller than expected rise in non-farm payrolls, dampened speculation that the Federal Reserve will tighten its credit policy.

The fading prospects of higher US interest rates led to a slight easing of the dollar yesterday, to close at DMI-8550, compared with DMI-8500, and at SFr7.5620, against SFr7.5640, but was unchanged at FF6.3150.

According to the Bank of England, the dollar's exchange rate index fell to 93.6 from 93.9. Sterling was also little changed, underpinned by the softer dollar and better sentiment on the equity and gilt markets in London.

Although the pound looked vulnerable to more bad news, it rose 1/2 cent to DMI-8880. Sterling also improved to Y229.25 from Y229.00, and to FF110.6475 from FF110.6325, and fell to DMI-3.1275 from DMI-3.1300.

The pound's exchange rate index rose 0.3 to 73.5. FT GUIDES TO WORLD CURRENCIES, Page 32.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, Unit, Rate, % change, % change against DM, % change against FRF.

Change over 10 days, % change against DM, % change against FRF.

POUND SPOT-FORWARD AGAINST THE POUND

Table with columns: Term, Rate, % p.a., % p.a. Three months, % p.a. Six months.

DOLLAR SPOT-FORWARD AGAINST THE DOLLAR

Table with columns: Term, Rate, % p.a., % p.a. Three months, % p.a. Six months.

EURO-CURRENCY INTEREST RATES

Table with columns: Term, Rate, % p.a., % p.a. Three months, % p.a. Six months.

EXCHANGE CROSS RATES

Table with columns: Currency, Rate, % p.a., % p.a. Three months, % p.a. Six months.

FINANCIAL FUTURES

Bond prices firmer

LONG GILT futures finished on a stronger note in London's Life market yesterday, encouraged by a stronger finish in US bond markets on Friday.

US centres were closed for a public holiday yesterday, but US Treasury bond futures in London were marked firmer, in response to Friday's release of US unemployment figures for August.

These suggested that the economy was not expanding at such a potentially high rate as had been previously expected.

UK bonds were also underpinned by sterling's firmer tone. Many investors were expecting the pound to lose ground after the weekend, but this failed to occur, encouraging some degree of short covering, both in sterling and Government stock.

The December long gilt - which turned over at 120,000 lots - opened at 93.20, and finished at its best level of the day at 93.95.

Short sterling prices ended on a firm note, underpinned by a softer tone in the cash market. Once again trading was influenced by sterling's firmer tone, and the September three-month sterling price rose to 87.55 from 87.53 on Friday.

Prices in the tables below are for September 2, for Chicago and Philadelphia, and September 5 for London.

Table with columns: Contract, Price, % change, % change against DM, % change against FRF.

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EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol, Last, % change, % change against DM, % change against FRF.

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BASE LENDING RATES

Table with columns: Bank, Rate, % p.a., % p.a. Three months, % p.a. Six months.

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Table with columns: Bank, Rate, % p.a., % p.a. Three months, % p.a. Six months.

MONEY MARKETS

UK rates lower

UK INTEREST rates were lower in London yesterday, reflecting sterling's firmer tone. There was little else to affect trading, US markets were closed for Labor Day, and there are no significant UK economic figures due for release this week.

Dealers suggested that any trend in rates was likely to be governed by sterling's performance, at least for the time being. The key three-month interbank rate fell to 12 1/2-13%.

The forecast was revised to a surplus of around £250m, but the Bank did not intervene in the morning. A further revision took the surplus to £350m, and the Bank sold £300m of Treasury bills in the afternoon at 10 1/2-11% p.a., maturing on September 15.

In Frankfurt, call money was slightly lower as the market reacted to higher than expected minimum reserve holdings, held by commercial banks with the Bundesbank.

While short-term liquidity appeared to be adequate, dealers still expressed concern about the longer term view. The Bundesbank is expected to announce terms for a fresh sale and repurchase agreement today, to replace a maturing facility of DMI7.6m. Most dealers are hoping for a generous allocation, to offset payments for a new Federal bond, and the onset of a new deadline on corporate tax payments.

FT LONDON INTERBANK FIXING

Table with columns: Term, Rate, % p.a., % p.a. Three months, % p.a. Six months.

MONEY RATES

Table with columns: Term, Rate, % p.a., % p.a. Three months, % p.a. Six months.

LONDON MONEY RATES

Table with columns: Term, Rate, % p.a., % p.a. Three months, % p.a. Six months.

Treasury bills (bill): one-month 11 1/2% per cent; three-month 11 1/2% per cent; six-month 11 1/2% per cent; one-year 11 1/2% per cent.

CONTRACTS & TENDERS

SOKOTO AGRICULTURAL AND RURAL DEVELOPMENT AUTHORITY INVITATION FOR BIDS (IFB)

Date of issuance of invitation: 1st September, 1988. Lots No: 2105/10. ICB No: BARDAF/10.

1. Federal Government of Nigeria has received a loan from the International Bank for Reconstruction and Development (The World Bank) in various currencies towards the cost of the Project in the name of SOKOTO AGRICULTURAL AND RURAL DEVELOPMENT AUTHORITY (SARDA) and it is intended that part of the proceeds of this loan will be applied to eligible purposes under the contract for the supply and delivery of Animal Drawn Tractors, 2 inch and 3 inch PTO Animal Drawn Pumps, Cereal Grinders, Generator sets and Motor Cycles for Sokoto Agricultural and Rural Development Authority.

2. SARDA now invites sealed bids from eligible bidders for the supply of: CATEGORY 1: Animal Drawn Tractors (6000 Units); CATEGORY 2: 2 inch PTO Animal Drawn Pumps (2000 Sets); CATEGORY 3: 3 inch PTO Animal Drawn Pumps (1000 Sets); CATEGORY 4: Cereal Grinders (Pneum) (1000 Nos); CATEGORY 5: Generator Sets (1.5 KVA) (2000 units); CATEGORY 6: Motor Cycles (2.5 KVA) (1000 units).

3. Interested eligible bidders may obtain further information at the office of: Sokoto Agricultural and Rural Development Authority, Abdullahi Foddo Road, Sokoto, Nigeria.

4. A complete set of bidding documents may be purchased by an interested eligible bidder on the submission of a written application to the above and upon payment of a non-refundable fee of US\$300.00 or its equivalent in a foreign bid.

COMPANY NOTICES

ANGLOVAAL GROUP GROUP COMPANIES CLOSING OF TRANSFER BOOKS AND REGISTERS OF MEMBERS

Notice is hereby given that the transfer books and registers of members of the following companies (all of which are incorporated in the Republic of South Africa) will be closed for the periods stated for the purpose of determining those persons entitled to attend the Annual General Meetings of members thereof.

Table with columns: Name of Company, Date of closing transfer books and registers of members.

London Secretaries 225 Regent Street, London W1R 8ST, 2 September 1988.

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By Order of the Board ANGLIO-TRANSVAAL TRUSTEES LIMITED London Secretaries per: I. S. Farmer

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abstract Management Ltd, and Agincourt Unit Trust, including their names and brief descriptions.

Table listing unit trusts such as Anderson Group Unit Trust, Anthony Wright Unit Trust, and Arden Management, including their names and brief descriptions.

Table listing unit trusts such as Barrage Unit Trust, Bank of Ireland Fund, and Baring Fund Managers Ltd, including their names and brief descriptions.

Table listing unit trusts such as Bell Court Fund, Bell & Co Unit Trust, and Bell & Co Unit Trust, including their names and brief descriptions.

Table listing unit trusts such as British American Unit Trust, British American Unit Trust, and British American Unit Trust, including their names and brief descriptions.

Table listing unit trusts such as British American Unit Trust, British American Unit Trust, and British American Unit Trust, including their names and brief descriptions.

Table listing unit trusts such as British American Unit Trust, British American Unit Trust, and British American Unit Trust, including their names and brief descriptions.

Table listing unit trusts such as British American Unit Trust, British American Unit Trust, and British American Unit Trust, including their names and brief descriptions.

I.G. INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD. Tel: 01-828 7233/5699 Reuters Code: IGIN, IGI0

Table with columns for FT 30 and FTSE 100, listing stock prices and indices.

CROSSWORD

Crossword puzzle grid with clues for Across and Down sections.

ACROSS: 1 and 4 France gets a German beer mug for physicist (6,6). 10 Poor, so curse a wealthy man (7). 11 Eastern assembly could not be closed? (7). 12 Swimmer, are you talking to the theologian? (4). 13 Cultivating a garden coo, he shows off (10). 14 Mistakenly eats the Spanish plant (6). 15 Establish fashionable stable (7). 16 Footballer not working? (7). 17 Some say Landor settled in this county (6). 18 Scottish lad once in a disaster (10). 19 I'm returning with little girl to the South of France (4). 20 Recital could make newspaper feature? (7). 21 Platform for magistrates (7). 22 Alms collected by many to cook for unimportant people (6,3). 23 Becoming modest (6). DOWN: 1 A number go to clergyman that's right (8). 2 Programme for outspoken players (8). 3 The others get a break (4). 4 More than one Pope is blameless (6). SOLUTION TO PUZZLE No. 6,725: STEPHAN SEVERIN, KING DOUBLED UP, I N H S C E R H, QUARTER ENCLAVE, EXIST HOME NAME, O N E S A C H, RANKINGS SHEAR, LEADOFF OFFENCE, INAMORATA, G O U N L I N E, NUMERICAL ORDER.

JOTTER PAD

Table listing various unit trusts such as Constant Unit Trust, Cornhill Unit Trust, and Crown Unit Trust, including their names and brief descriptions.

GUIDE TO UNIT TRUST PRICING

The data included under the Authorised section of the FT Unit Trust Information pages is based on the marketing, administrative and other costs which have to be paid by new investors. These charges are included in the price when the investor buys units. UNIT PRICE: The maximum spread between the offer and bid price is determined by a formula laid down by the government to improve the service to investors and to conform with new legislation. The bid price is often set well above the minimum permissible price which is called the 'offer price' to the public. However, the bid price may be moved to the offer price in circumstances in which there is a large excess of orders over buyers. The line shows alongside the fund manager's name the time at which the unit trust's daily dealing price is normally set, unless another time is indicated by the symbol alongside the fund manager's name. The price is set at 4.00 in 17.00 hours & 1.00 in 11.00 hours & 1.00 in 11.00 hours. The line shows alongside the fund manager's name the time at which the unit trust's daily dealing price is normally set, unless another time is indicated by the symbol alongside the fund manager's name. The price is set at 4.00 in 17.00 hours & 1.00 in 11.00 hours & 1.00 in 11.00 hours.

UNIT TRUST INFORMATION SERVICE

Table listing various unit trusts such as British American Unit Trust, British American Unit Trust, and British American Unit Trust, including their names and brief descriptions.

Handwritten note in Arabic script: "معلومات وحدة" (Unit Information)

FT UNIT TRUST INFORMATION SERVICE

Main table containing financial data for various unit trusts, organized into columns for company names, share prices, and other metrics. Includes sub-sections like 'INSURANCES' and 'OTHER UK UNIT TRUSTS'.

INSURANCES

Detailed table listing insurance-related unit trusts, including company names, share prices, and other financial details.

OTHER UK UNIT TRUSTS

Table listing other UK unit trusts, including company names, share prices, and other financial details.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Table listing various unit trusts, their managers, and performance metrics. Columns include trust names, managers, and performance data. The table is organized into several sections, including 'MANAGEMENT SERVICES', 'OFFSHORE AND OVERSEAS', and 'OFFSHORE INSURANCES'.

Handwritten text at the bottom center: "مكتبة الامم المتحدة"

لندن، 6 أيلول

FT UNIT TRUST INFORMATION SERVICE

Table of FT Unit Trust Information Service listing various unit trusts with columns for Name, NAV, and other financial details.

LONDON SHARE SERVICE

Table of London Share Service listing various funds and shares with columns for Name, Price, and other financial details.

OTHER OFFSHORE FUNDS

Table of Other Offshore Funds listing various offshore funds with columns for Name, NAV, and other financial details.

Money Market Trust Funds

Table of Money Market Trust Funds listing various trust funds with columns for Name, NAV, and other financial details.

Money Market Bank Accounts

Table of Money Market Bank Accounts listing various bank accounts with columns for Name, Interest Rate, and other financial details.

LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American stocks including Texas Instr, Time Inc, Trans World, and others with columns for stock name, price, and change.

CANADIANS

Table listing Canadian stocks including Alcan, Inco, Northern Copper, and others with columns for stock name, price, and change.

BANKS, HP & LEASING

Table listing financial institutions and leasing companies including Citicorp, Citicorp Ind, and others with columns for stock name, price, and change.

BEERS, WINES & SPIRITS

Table listing beverage companies including Anheuser-Busch, Heineken, and others with columns for stock name, price, and change.

BUILDING, TIMBER, ROADS

Table listing construction and infrastructure companies including Bechtel, Fluor, and others with columns for stock name, price, and change.

BUILDING, TIMBER, ROADS - Contd

Continuation of Building, Timber, Roads table with stock names like Black & Veatch, Fluor, and others.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies including Amchem, Celanese, and others with columns for stock name, price, and change.

DRAPERY AND STORES

Table listing retail and clothing companies including J. J. Brinkerhoff, and others with columns for stock name, price, and change.

BUILDING, TIMBER, ROADS

Continuation of Building, Timber, Roads table with stock names like Fluor, and others.

ELECTRICALS

Table listing electrical companies including Amstar, Amstar Int, and others with columns for stock name, price, and change.

ENGINEERING - Contd

Continuation of Engineering table with stock names like Amstar, and others.

ENGINEERING

Table listing engineering companies including Amstar, and others with columns for stock name, price, and change.

ENGINEERING

Continuation of Engineering table with stock names like Amstar, and others.

ENGINEERING - Contd

Continuation of Engineering table with stock names like Amstar, and others.

FOOD, GROCERIES, ETC

Table listing food and grocery companies including Amstar, and others with columns for stock name, price, and change.

HOTELS AND CATERERS

Table listing hotel and catering companies including Amstar, and others with columns for stock name, price, and change.

INDUSTRIALS (Miscel.)

Table listing various industrial companies including Amstar, and others with columns for stock name, price, and change.

INDUSTRIALS (Miscel.) - Contd

Continuation of Industrials (Miscel.) table with stock names like Amstar, and others.

INDUSTRIALS (Miscel.) - Contd

Continuation of Industrials (Miscel.) table with stock names like Amstar, and others.

INDUSTRIALS (Miscel.)

Table listing various industrial companies including Amstar, and others with columns for stock name, price, and change.

INDUSTRIALS (Miscel.)

Continuation of Industrials (Miscel.) table with stock names like Amstar, and others.

INDUSTRIALS (Miscel.) - Contd

Continuation of Industrials (Miscel.) table with stock names like Amstar, and others.

INDUSTRIALS (Miscel.) - Contd

Continuation of Industrials (Miscel.) table with stock names like Amstar, and others.

INSURANCES

Table listing insurance companies including Amstar, and others with columns for stock name, price, and change.

LEISURE

Table listing leisure and recreation companies including Amstar, and others with columns for stock name, price, and change.

Handwritten text at the bottom center of the page: "مكتبة الأصيل"

LONDON SHARE SERVICE

Handwritten note: "Handwritten note at top center of page, possibly a signature or initials." (Note: The image shows a handwritten note in a box at the top center of the page, which appears to be a signature or initials, possibly "John, no 10/88".)

LEISURE - Contd

Table listing leisure companies such as British Skyways, British Caledonian, and others, with columns for stock price, dividends, and other financial metrics.

MOTORS, AIRCRAFT TRADES

Table listing companies in the motors and aircraft trades, including British Aerospace and others, with financial data.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publishing companies like News International and others.

PAPER, PRINTING, ADVERTISING

Table listing companies in the paper, printing, and advertising sectors.

SHOES AND LEATHER

Table listing shoe and leather companies.

SOUTH AFRICANS

Table listing South African companies.

TEXTILES

Table listing textile companies.

PAPER, PRINTING, ADVERTISING - Contd

Continuation of paper, printing, and advertising companies.

PROPERTY

Table listing property-related companies.

SHIPPING

Table listing shipping companies.

SHOES AND LEATHER

Table listing shoe and leather companies.

SOUTH AFRICANS

Table listing South African companies.

TEXTILES

Table listing textile companies.

TEXTILES - Contd

Continuation of textile companies.

TEXTILES - Contd

Continuation of textile companies.

TOBACCO

Table listing tobacco companies.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies.

TRUSTS, FINANCE, LAND - Contd

Continuation of trusts, finance, and land companies.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies.

OIL AND GAS - Contd

Continuation of oil and gas companies.

OVERSEAS TRADERS

Table listing overseas trading companies.

PLANTATIONS

Table listing plantation companies.

MINES

Table listing mining companies.

MINES

Table listing mining companies.

MINES

Table listing mining companies.

MINES - Contd

Continuation of mining companies.

MISCELLANEOUS

Table listing miscellaneous companies.

THIRD MARKET

Table listing third market companies.

NOTES

Stock Exchange dealing classifications are indicated to the right of security names. A, Alpha; B, Beta; G, Gamma; H, Delta; I, Epsilon; J, Zeta; K, Eta; L, Theta; M, Iota; N, Kappa; O, Lambda; P, Mu; Q, Nu; R, Xi; S, Omicron; T, Pi; U, Rho; V, Sigma; W, Tau; X, Upsilon; Y, Phi; Z, Chi.

REGIONAL & IRISH STOCKS

Table listing regional and Irish stocks.

TRADITIONAL OPTIONS

Table listing traditional options.

Additional notes and information at the bottom of the page, including a disclaimer and contact information.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Monday September 5 1988, Fri Sep 2, Thu Sep 1, Wed Sep 31, Year ago (approx). Rows include Capital Goods, Building Materials, Contracting, etc.

FIXED INTEREST

Table with columns: PRICE INDICES, Mon Sep 5, Day's change, Fri Sep 2, etc. Rows include British Government, 5-15 years, Over 15 years, etc.

RISES AND FALLS YESTERDAY

Table with columns: Rises, Falls, Same. Rows include British Funds, Corporations, Industrials, etc.

LONDON RECENT ISSUES

Table with columns: Issue, Amount, Price, etc. Rows include Equities, Fixed Interest Stocks, Rights Offers.

FIXED INTEREST STOCKS

Table with columns: Issue, Amount, Price, etc. Rows include various fixed interest stocks.

RIGHTS OFFERS

Table with columns: Issue, Amount, Price, etc. Rows include various rights offers.

TRADITIONAL OPTIONS

Table with columns: Issue, Amount, Price, etc. Rows include various traditional options.

LONDON TRADED OPTIONS

Large table with columns: Option, CALLS, PUTS, etc. Rows include various options like Allied Lyons, B&A, etc.

U.S. \$125,000,000 GREAT LAKES FEDERAL MINING Collateralized Floating Rate Notes Series A due December 1997

Mitsui Finance Asia Limited U.S. \$100,000,000 Guaranteed Floating Rate Notes 1996

Continental Airlines, Inc. US\$38,500,000 Floating Rate Notes due 1996

The Central Bank of The Republic of Turkey (Türkiye Cumhuriyet Merkez Bankası) U.S. \$100,000,000 Eurocommercial Paper Programme

DANISH INDUSTRY & EXPORTS The Financial Times proposes to publish a Survey on the above on 24th October 1988

Osaka Prefecture U.S. \$140,000,000 9% per cent. Guaranteed Bonds Due 1993

CORPORATE SECURITY The Financial Times proposes to publish a Survey on the above on 22nd November 1988

Handwritten Arabic text at the bottom center of the page.

LONDON STOCK EXCHANGE

Gilts and equities post good gains

London stock and bond markets yesterday took a further recovery... A firm showing by Gilts and equities gave stability to the stock market...

Account Dealing Dates... However, buying interest returned to the market after this dip... Equities were marked up at the outset and made considerable progress...

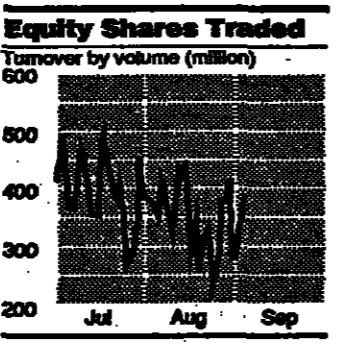
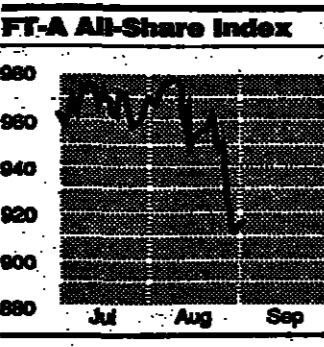
Smith, equity market strategist, said the market has moved into a "cheap valuation range" and he expects equities to "continue tracking Wall Street, but in a fashion dampened by domestic interest rate trends".

John Whitehead, of Flemings Research, described the market's performance as "heartening" and pointed to its "resolute" showing when activity petered out in the afternoon... "Prices held up despite the fact that everything stopped. The interest rate scares look to be over for the time being".

The building sector continued to attract a considerable amount of attention, partly on another flurry of takeover speculation and also ahead of a long list of company news items due this week.

Spirits battle nears end

WEEKEND developments caused trading in Irish Distillers (ID) shares to be suspended before a single share changed hands yesterday morning... The battle between rival predators Grand Metropolitan and French group Pernod Ricard, which yesterday unveiled an offer of IR450p for each ID share...



possibility that takeover speculation could return to the market... Two of the bank's biggest shareholders, Willis Faber and the Bond Corporation, are thought to be reassessing their holdings...

Morgan Grenfell shares took a knock - bringing other merchant banks down with them... ahead of Thursday's interim figures. Analysts' forecasts range around the £30m mark...

1000p, while British Petroleum issues also moved higher, although business in both classes of shares was relatively slow... Another flurry of speculative interest resurrected bid hopes in both Enterprise, up 8 at 461p, and LASMO which rose 8 1/2 to 402 1/2p.

Several dealers believe that Mr Ronnie Ben-Zur, who recently resigned as chief executive of PWS, will soon sell his family's stake. But they doubt whether he will get much more than 150p a share...

Leading electrical issues were unexciting. GEC aroused most interest ahead of Friday's annual meeting and the shares rose 2 1/2 to 158p in turnover of 245 1/2p...

Among the insurers Lives were strong, with good buying interest in Abbey Life, 8 better at 205p, Sun Life, up 5 to 121 1/2p, and Pearl, 5 to the good at 47p...

The general round of publicity given to the Farnborough International Air Show drew attention to Rolls-Royce which touched 120 1/2p before settling 1 1/2p better on the day after 129 1/2p...

FINANCIAL TIMES STOCK INDICES

Table with columns for Sep 5, Sep 2, Sep 1, Aug 31, Aug 30, Year, 1988 High, Low, and Since Completion. Rows include Government Secs, Fixed Interest, Ordinary, Gold Mines, Ord. Div. Yield, P/E Ratio, etc.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume for various stocks including BHP, ICI, GKN, etc., with columns for Volume, Price, and % Change.

(4.8m shares) and closed 5 1/2p dearer at 96 1/2p, after 97 1/2p. Some analysts, however, are distinctly sceptical about such a move... British Aerospace traded firmly in the wake of the announcement of orders worth a total of around £58m for UK-built aircraft...

Bowater caution

Awaiting the announcement of today's interim figures, Bowater attracted buyers and put on 8 to 415p. In a current update on the group Morgan Grenfell (MG), the securities house, suggests that following consistent outperformance over the past three months, Bowater has achieved the rating deserved since announcing its last set of figures.

Lorho subdued

Lorho, one of the market's brightest performers last month, moved in contrast with the wider market yesterday. Volume fell noticeably from the previous week's high daily average of some 8m shares to only 2.7m as the stock reacted to 248p.

NEW HIGHS AND LOWS FOR 1988

- List of new highs and lows for 1988 including companies like British Petroleum, ICI, GKN, etc.

APPOINTMENTS

- Mr Ivan Lyons has been appointed managing director of LESSER HOMES... Mr Peter Hindes has been appointed a director of ALFRED McALPINE CONSTRUCTION... Mr Steven Carlson has been appointed manager of financial services for TEXACO, London.

Managing director at Lesser Homes

Mr Ivan Lyons has been appointed managing director of LESSER HOMES, a former member of the Lesco Group. He was a divisional director with Balfour Beatty Homes, with whom he spent over five years. He began his business career with Sir Lindsay Parkinson in 1964, moving three years later to Crest Homes. During the 14 years spent at Crest, he held a number of management appointments before being promoted to the position of land and marketing director.

Corporate Finance. We can give you a head start. Think of all the specialists you have to consult on a corporate finance project. Think of Touche Ross - and you've thought of them all. Our corporate finance group is growing fast. We now have 25 partners and over 70 executives, including specialists in venture capital, accounting, banking, management and strategy consultancy, tax and treasury.

COMMODITIES AND AGRICULTURE

Kuala Lumpur tin price hits 30-month high

By Wong Sulong in Kuala Lumpur
THE KUALA Lumpur physical tin market has at last broken through the 20 ringgit a kg barrier. Having risen slowly but steadily for two years the Kuala Lumpur price gained 13 cents on Friday to 20.06 ringgit a kg (24,600 a tonne) on strong demand from Europe and Japan. Yesterday it advanced further to 20.10 ringgit.

Producers follow zinc market higher

By David Blackwell
EUROPE'S ZINC producers, including Metallgesellschaft, Preussag and Vieille Montagne, yesterday raised their price for the metal to \$1,350 a tonne, returning it to the record level set in June.

British forestry policy under scrutiny

Bridget Bloom assesses the impact of pressure from environmentalists

THE CONIFERS snake round the edge of Loch Kinardochy, leaving an uninterrupted view across tranquil water to rounded heather moors and mountains stretching to the skyline. It is a pleasing scene and was designed to be so: landscape architects were employed by the Forestry Commission to make sure that the serried ranks of spruce and pine complemented rather than marred the living picture.

However, debate in Parliamentary committee on the issue has so far thrown up several controversial issues. The directive appears set to exclude the Forestry Commission itself, responsible for more than half of existing commercial conifer forests, from the existing environmental assessment procedure. Secondly, an assessment plan can only be

set aside, albeit with a green cover, will attract up to £200 a hectare for three to five years. The farm woodlands scheme attracts the same grants as commercial forestry (except in the case of large scale conifer plantations, for which the farm woodlands scheme attracts only £240 per ha). But the farm scheme will also pay annual grants of up to £190 a hectare for between 10 and 40 years, depending on the type of land, and the species of tree, being planted.

According to the Forestry Commission, nearly 70,000 ha has been cleared for planting under the old arrangements, although neither the Commission nor industry representatives believe all of this will be utilised. One industry estimate is for some 30,000 ha to be planted under the old arrangements in the next year, dropping to about 9,000 ha in the following 12 months. It is far from clear, however, whether the 33,000 ha target can be met overall, since the Commission itself, in furtherance of the Government's policy of leaving the majority of planting to the private sector, apparently intends to plant no more than 5,000 ha a year.

The public argument over forestry policy has abated noticeably since the Budget announcement in March. Little or nothing has been heard for example of the possibility of privatisation - living off the Forestry Commission's own commercial operations to the private sector and leaving the commission with the role of industry regulator and environment conservator.

Post-Budget Woodland Grant Structure (£ per hectare - old rates in brackets)
Area: 0.25-0.50 ha, 0.50-1.00 ha, 1.00-2.00 ha, 2.00-5.00 ha, 5.00-10.00 ha and over
Conifers: 1,025 (630), 890 (595), 785 (420), 615 (240)
Broadleaves: 1,575 (900), 1,375 (735), 1,175 (630), 875 (470)

Policy changes confuse Pakistani cotton traders

By Christina Lamb in Islamabad
PAKISTAN'S cotton season has begun in chaos, with traders confused over the country's newly-liberalised cotton policy.

World cotton prices

Table with columns: Cotton, Previous, High/Low. Includes prices for various cotton grades and markets.

Norway details N. Sea oil and gas licensing plans

BY KAREN FOSSLI IN OSLO
NORWAY'S Oil and Energy Ministry yesterday detailed plans for allocation of 12 offshore blocks located in a disputed fisheries area, the hitherto disappointing Barents Sea and the new Haltenbank oil province.

most pessimistic prognosis on Norway's future oil producing prospects made nearly two weeks ago by the Norwegian Petroleum Directorate, the country's watchdog over the petroleum sector which also advises the Ministry of Oil and Energy.

exploration in the area only a minor gas discovery has been made. The NPD says that "the probability of making substantial discoveries (there) is regarded as low and the majority of resources is likely to be gas."

in reservoirs there and that the likelihood of finding oil in "North Sea quantities" is steadily decreasing.

has gas sales contracts - can do without. Two licences for acreage in the Haltenbank will also be awarded. The prospects there are seen to be brighter than for the other two regions, but the area is characterised by complex geology.

WORLD COMMODITIES PRICES

Large table containing various commodity prices including LONDON MARKETS, COCOA, COPPER, COFFEE, RUBBER, SOYABEAN MEAL, POTATOES, SOYABEAN MEAL, and various oils and grains.

RETAILING

Advertisement for Financial Times surveys on Retailing and Exhibition Industry. Includes contact information for Mark Jones and Sarah Pakenham-Walsh.

Handwritten signature or note at the bottom of the page.

WORLD STOCK MARKETS

Table of World Stock Markets including sections for Australia, France, Germany, Netherlands, Sweden, Switzerland, and Japan. Each section lists various stock indices and their values.

INDICES

Table of Indices including New York Dow Jones, Canada, and Tokyo. It provides data for various stock indices and their performance over time.

Table of Japan Stock Markets listing various Japanese stock indices and their values.

Advertisement for 'Travelling on Business?' featuring 'Have your F.T. hand delivered in The Netherlands' and '12 FREE ISSUES' offer. Includes contact information for Amsterdam and Geneva.

Large advertisement for 'Travelling on Business in France?' listing hotels in Paris, Toulouse, Bordeaux, Nice, Monaco, Cannes, Lyon, Antibes, Grenoble, Mougins, St Laurent du Var, and Valbonne. Includes '12 FREE ISSUES' offer and contact information for Geneva.

The era of the robot trader moves closer

With Wall Street shut for Labor Day, Janet Bush reflects on computer advances

DESPITE the undoubted complexity of global financial trading technology, the industry is still in its infancy and the next few years will see sweeping developments.

Nikkei 225 index was started on the rival Osaka exchange. It is likely that computer trading strategies will become more sophisticated, partly as investment strategies grow more global and partly because of some obvious limitations of the computers themselves.

The next few years will see an explosion in programme trading of baskets of stock as well as highly automated strategies such as stock index arbitrage and portfolio insurance strategies.

There are various aspects of current computer trading systems which are plainly primitive. One, according to Mr Boris Yavitz of the Graduate School of Business in Columbia University, is that current systems run on very similar software and therefore tend to come to similar decisions very quickly.

So in October 1987, once there was a drop in the market, all the 'alarm bells' within the software of computers used

in the market rang simultaneously, Mr Yavitz said. Another shortcoming is that many software systems were designed to identify shares that were rising or falling in excess of a pre-set average such as an index. They were not capable of coping with an overall fall in the market.

In spite of the extensive role computer trading has played in financial markets in the US, the systems themselves are still fairly primitive, based on arithmetical functions which perform complex calculations very quickly. One of the most interesting developments in this area is research into so-called expert systems. These computers are designed to be broadly capable of replicating at least some of the perception and judgement of a trader as well as simply carrying out that trader's orders.

modity and stock movements. The development of expert systems appears to be further ahead in the US than elsewhere although there is a great deal of corporate secrecy on the subject.

So-called 'expert' computer systems are designed to be broadly capable of replicating at least some of the perception and judgment of a trader as well as simply carrying out that trader's orders

Mr Hoarty, vice president of capital markets at Pat-neWebber, said he did not know a single trading firm in New York which was not developing an expert system of some kind. Mr Hoarty was speaking at the inaugural meeting of SMARTS - the Society for the Management of AI Resources and Technology in Banking and Financial Services - in April.

EUROPE

Interest rate clouds lifted by US employment data

SOME European houses found cause for celebration yesterday in the strong performance by Wall Street last Friday, but nervousness and thin volumes still abounded, writes Our Markets Staff.

FRANKFURT rose strongly on the back of a firm bond market and the large gains made on Wall Street last week. Following the US employment figures, which showed the hoped-for acceleration in economic growth, investors felt interest rates in West Germany had reached a ceiling for the time being, analysts said.

The FAZ index was up 7.65, or 1.6 per cent, at 485.61 and the DAX real time index closed 17.58, or 1.6 per cent, higher at 1,174.97. Volume improved on last week but was still fairly low at DM2.1bn worth of West German shares.

London STERLING's encouraging performance proved a tonic for equities in London and the FT-SE 100 index rose 17.6 to 1,784.5.

International stocks put in a good showing after languishing last week, with Glaxo, ICI and Beecham all gaining ground. Glaxo saw its best day for a long while after brokers focused on its underperformance and turnover reached 1.8m shares.

Insurers were stronger on the day, with Allianz up DM52.50 at DM1,518.50. Allianz was in the news with plans to co-operate with Tokio Marine and Fire Insurance in Turkey through the two companies' stakes in Sark Sigorta, the second biggest Turkish insurer.

Madrid STERLING's encouraging performance proved a tonic for equities in London and the FT-SE 100 index rose 17.6 to 1,784.5.

International stocks put in a good showing after languishing last week, with Glaxo, ICI and Beecham all gaining ground. Glaxo saw its best day for a long while after brokers focused on its underperformance and turnover reached 1.8m shares.

Insurers were stronger on the day, with Allianz up DM52.50 at DM1,518.50. Allianz was in the news with plans to co-operate with Tokio Marine and Fire Insurance in Turkey through the two companies' stakes in Sark Sigorta, the second biggest Turkish insurer.

overseas events, and share prices edged up. The Comit index was 0.85 higher at 514.83. After hours trading improved further, seen by one analyst as a technical rebound to earlier short-selling.

Mutual funds figures showed a net outflow of £511bn last month, compared with £1,044bn in July. Redemptions reached £989bn against purchases worth £1,386bn, but the figures were distorted by the holiday period and were of little significance to the overall trend in the industry, according to the analyst.

MADRID rebounded from last week's losses, helped by the better US performance, and the general index picked up 2.46 to 290.68. Construction and engineering stocks made good gains and market leader Telefonica rose by 3.5 percentage points to 184.5 per cent of nominal market value, but volume remained fairly low.

ASIA PACIFIC

Profit-taking hits Nikkei after strong start

Tokyo

PROFIT-TAKING set in after a strong opening in Tokyo yesterday and increased gradually over the session in response partly to falls in stock index futures prices in Tokyo and Osaka, writes Isoo Nakajima of Jiji Press.

The Nikkei average closed 146.67 lower at 27,341.58, having reached a high of 27,644.49 - up 156.24 from Saturday - shortly after the opening. Its low for the day was 27,336.56. Trading was light, falling to 472.5m shares, below the 524m shares traded in Saturday's half-day session. Advances led declines by 436 to 409, with 165 issues unchanged.

In London, Japanese shares fell further, with the ISE/Nikkei 50 index down 9.33 at 1,766.05. In Tokyo, specific incentives led to early gains for such issues as paper/pulp stocks, drugs and non-ferrous metals. But buying petered out in the middle of the morning session and many issues, particularly large-capital stocks, lost ground.

Nippon Mining topped the active list with 55.9m shares changing hands, reflecting its bid to purchase Gould Inc of the US and a redevelopment plan involving the former site of its head office in Tokyo. It rose Y21 to Y21.1, an all-time high, at one stage, but came under profit-taking pressure later, closing Y38 cheaper at Y672.

The second most active stock, Mitsubishi Mining and Cement, rose Y24 to Y789, with 33.5m shares dealt. Paper/pulp issues rose on a wide front on expectations that the introduction of a consumer tax planned for next spring would lead to demand for new business stationery. Mitsubishi Paper Mills added Y20 to Y1,070 on the third largest volume of 30.5m shares. Honshu Paper jumped Y68 to Y740.

Steele and shipbuilders, which had been active last week, were lacklustre throughout the day on profit-taking. Only two such issues made the active list. Nippon Steel was the fourth busiest with 18.5m shares, but its price slipped Y17 to Y658, while Kawasaki Steel, ninth with 11.7m shares, dropped Y11 to Y698.

Bond prices started lower as the sharp gains of late last week prompted profit-taking. Prices fluctuated amid general weakness, with investors staying mostly on the sidelines because of the small moves in foreign exchange rates and domestic short-term interest rates. Trading was done largely by dealers.

Australia

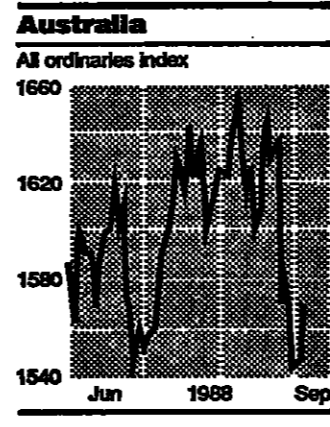
All Ordinaries Index 1660 1620 1580 1540 Jun 1988 Sep

lower-priced arena, but blue chips managed reasonable gains. HONG KONG was cheered by earlier gains on leading stock markets, with Tokyo's late fall dampening afternoon sentiment only slightly and shares ending the session sharply higher.

Roundup

DEMAND was spurred in Asia Pacific markets by recent gains in leading stock markets, and share prices ended mostly higher. SINGAPORE made a buoyant start in response to the ruling party's election victory at the weekend and to Wall Street's gains on Friday. But the advance was trimmed by the late fall in Tokyo and a spate of local profit-taking.

and Driefontein was down 50 cents at R31.75, while Kloof dropped 25 cents to R31.25. In diamonds, the Bears slipped 15 cents to R38.68. Mining financial group Gold Fields shed R1.25 to R49.50, but platinum saw Rustenburg up 50 cents at R34.75.



lower-priced arena, but blue chips managed reasonable gains.

announced strong profits in line with expectations, as well as a 1-for-5 bonus issue.

NEW ZEALAND also took its cue from Wall Street and the Barclays index climbed 21.65 to 2,019.04, aided in part by a relatively calm annual conference of the ruling Labor Party.

TAIWAN rose sharply and the weighted index closed above 8,000 for the first time in 10 days, adding 236.71, or 2.75 per cent, to 8,608.28.

SEOUL lost ground on profit-taking after gains in Saturday's session and the composite index fell 7.08 to 671.55.

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Table with columns: NATIONAL AND REGIONAL MARKETS, FRIDAY SEPTEMBER 2 1988, THURSDAY SEPTEMBER 1 1988, DOLLAR INDEX. Rows include various countries like Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Malaysia, Mexico, Netherlands, New Zealand, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom, USA, and The World Index.